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School Construction Study Group Regionalization Committee

Maine State Board of Education

Joint Standing Committee on Education and Cultural Affairs

School Construction Workshop

February 7, 1997



General Construction Overview

⇒ Summary of State Board Role

⇒ Summary of Department of Education Role

- types of programs (regular, special, replacement of leased space, leases)
- ratings - listing, priority/protected

State Board of Education Report - LD 1124

Front burner issues - school construction

State Board policy - a response

State Board of Education
School Construction Study Group

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SEP 25 2014



State Board of Education

STATE HOUSE
STATION 23
AUGUSTA, MAINE 04333

October 15, 1996

TO: J. Duke Albanese, Commissioner

FROM: Jim Rier, Chair, State Board of Education School Construction Study Group

SUBJECT: Progress Report From the School Construction Study Group (LD1124)

The State Board of Education School Construction Study Group was appointed in June, 1996, as charged by the 117th Maine Legislature and met for the first time on July 31, 1996. We began by framing our assignment from the Legislation and adding any additional issues that the committee felt appropriate. School construction is a very broad and complex public policy issue and the committee felt it was important to clearly define those issues that we would address and stay focused on them.

In addition to the specific issues spelled out in LD1124 (attached) the committee elected to add two additional issues for study: interim total project local funding and use of excess bond proceeds at the end of a project. The committee further framed the assignment into the following four categories:

- **CONSTRUCTION APPROVAL PROCESS / RATING SYSTEM**

Improving the construction approval process and the system used to prioritize projects to achieve a fair and effective use of available school construction funds

This category is probably the most important of all the areas we are studying and will have the broadest influence on school construction. The committee will be striving to clarify and simplify the process and to recommend new methods of cost containment, the inclusion of technology, and ways to prudently encourage consolidation.

- **MINIMUM LOCAL CONTRIBUTION**

Considering the requirement of a minimum local contribution for all new State funded projects that exceed the local debt service circuit breaker

The committee will be moving its focus from this issue to cost containment methods and improving the construction approval process / rating system. The concept of requiring a minimum local contribution does not free-up money for other projects, but rather attempts to shift the debt-share burden from state to local on some projects. It would only make more money available through failed referenda for the most needed

projects. The concept would also be very difficult to administer by the Department of Education because the circuit breaker is applied to a districts total debt service not to individual projects. It will be necessary to address the history and perceptions driving this issue in considerable detail since it is not likely to go away just on our recommendation.

- **REPAIRS / RENOVATIONS / MAINTENANCE**

Considering the broad topic of renovations both within an approved construction project and outside the approval process, and renovation as a viable and competitive alternative to new construction

Renovations outside an approved construction project is a whole new arena for consideration of State funding of school facilities. With the limited time available for this committee, it is unlikely that we will be able to recommend a comprehensive plan to address those needs, but we hope to be able to frame the subject and provide a foundation for further study. The facilities inventory currently in progress will be an important piece of that foundation. We will however, work to define and recommend very specifically what renovation components should be included within an approved project and which components should be funded at local expense.

- **FUNDING OPTIONS**

Interim Total Project Local Funding

Allowing local voters to arrange the interim construction financing of a project approximately seven months earlier than can occur under the current schedule for State subsidized projects

The earlier bonding, entirely at local expense, would allow construction sooner but not affect the timing of the State's allocation of construction funds. The committee will define its effects on the approval process (D.O.E., B.G.S., and the S.B.E) and include the impact of any inflationary savings and the temporary bond rates that may apply. The concept will probably not apply to very many projects and will undoubtedly fuel some discussion about the equity issue for communities that can not afford or are unwilling to take the risk of pre-bonding a project.

Excess Bond Proceeds

Identifying what can be done with excess bond proceeds at the end of a project to make prudent use of the funds within current law and IRS rules

It would appear at this time in our study that there is very little that can be done except to use the excess proceeds to pay down the bond that has been issued for the project and that payment must go to the end of the bond. We will be continuing to explore every avenue possible to make more current and effective use of those excess funds.

The committee has expressed a strong interest in advocating for an increase in construction funding. However, I do not feel that it should be a priority at this time. To that end, our work may help provide a foundation for increased funding ,but we need to first demonstrate that we have a process that makes prudent use of current construction funds.

Meeting Schedule:

July 31, 1996 9:00AM to 12:00 Noon

August 27, 1996 12:00Noon to 4:00 PM

September 18, 1996 9:00AM to 4:00PM

September 30,1996 9:00AM to 12:00 Noon

October 25, 1996 9:00AM to 4:00PM

November 14, 1996 9:00AM to 4:00PM

To be determined

APPROVED

CHAPTER

APR 10 '96

632

STATE OF MAINE

BY GOVERNOR

PUBLIC LAW

—
IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND NINETY-SIX
—

H.P. 807 - L.D. 1124

An Act Regarding School Facilities and Debt Service
Limits

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

Sec. 1. 20-A MRSA §15905, sub-§1, ¶A, as amended by PL 1993, c. 693, §1, is further amended to read:

A. The state board may approve projects as long as no project approval will cause debt service costs, as defined in section 15603, subsection 8, paragraph A, to exceed the maximum limits specified in Table 1 in subsequent fiscal years.

Table 1

Fiscal year	Maximum Debt Service Limit
1990	\$48,000,000
1991	\$57,000,000
1992	\$65,000,000
1993	\$67,000,000
1994	\$67,000,000
1995	\$67,000,000
1996	\$67,000,000
1997	\$67,000,000
1998	\$67,000,000
<u>1999</u>	<u>\$69,000,000</u>
<u>2000</u>	<u>\$70,000,000</u>

Sec. 2. 20-A MRSA §15905, sub-§6 is enacted to read:

6. Facility maintenance plan required. The state board shall require a school administrative unit applying for state funds for a school construction project to establish a facility maintenance plan for the projected life cycle of the proposed school building. The department shall provide technical assistance to school administrative units in carrying out this section. Assistance must include, but is not limited to, the provision of a model facility maintenance plan and the provision of technical and other assessment information from the school facilities inventory under section 15917.

Sec. 3. 20-A MRSA §15917 is enacted to read:

§15917. School facilities inventory

1. Inventory. The department shall conduct an inventory of all public school facilities in the State through a survey sent to each school principal. For the inventory, the school principal shall identify each public school building and include the following information for each building for which that principal serves as the principal:

A. A systematic and comprehensive assessment of the physical condition of the building;

B. Building use statistics; and

C. A list of rooms by program area.

The survey must be completed by December 1, 1996.

2. Data base established. The department shall establish and maintain a school facilities data base. The data base must be available for inclusion in the education information system maintained by the Education Research Institute and established in section 10.

3. Inventory updated. The department shall update information from the inventory at least every 3 years.

Sec. 4. State Board of Education to convene study. The State Board of Education shall convene a study group to review and make recommendations on school construction issues. The chair of the state board shall appoint at least 6 members to the study group. The President of the Senate and the Speaker of the House of Representatives shall each appoint one member from the Joint Standing Committee on Education and Cultural Affairs to serve on the study group. The study group shall submit its

report to the Joint Standing Committee on Education and Cultural Affairs by December 1, 1996. The study group shall consider the following issues:

1. Requiring a minimum local contribution from a school administrative unit for school construction costs in any year in which the local share of school construction costs exceeds the debt service circuit breaker amount for that unit;

2. Revising the school construction project rating system by including consolidation as a criteria in the rating system. The study group must consider recommendations on including consolidation in the rating system made by the Department of Education, the State Board of Education and the Committee to Study Organizational and Tax Issues in Public Schools;

3. Further revising the school construction project rating system by adding to or subtracting from the current rating criteria, which include buildings and grounds, school population, programs and community use of facilities;

4. Use of state school construction funds to subsidize major repairs to a school building;

5. Requiring school administrative units to prepare cost comparisons between new construction and the renovation of existing school buildings when applying for the approval of school construction projects; and

6. Other school construction issues that a majority of the study committee agrees to review.

SCHOOL CONSTRUCTION DEBT SERVICE

FY 1991 through FY 2000

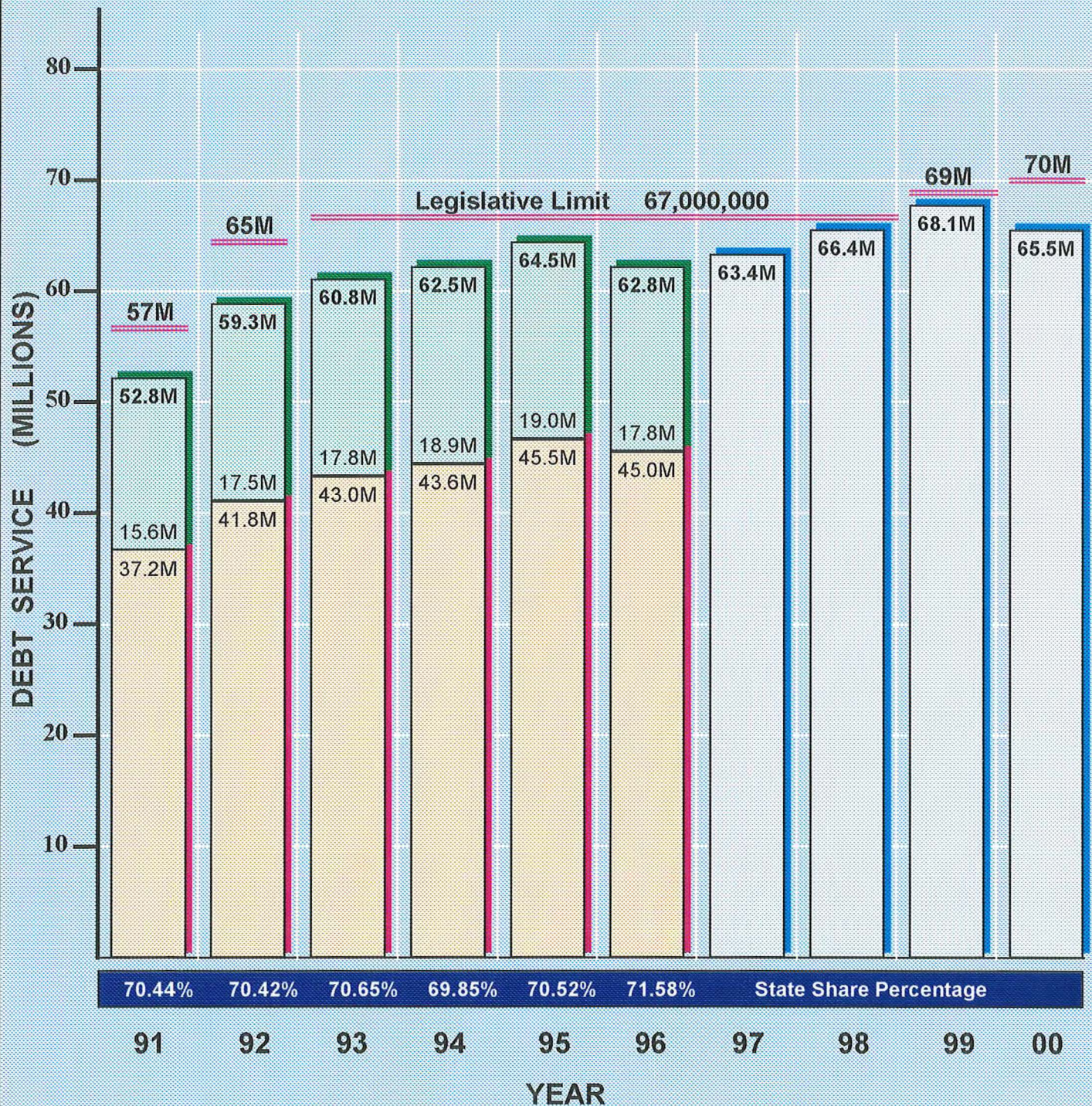


Local

State



Estimate Including
Approved Projects



APPROVED

APR 8 '96

BY GOVERNOR

CHAPTER

75

RESOLVES

STATE OF MAINE

—
IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND NINETY-SIX

—
H.P. 1210 - L.D. 1660

**Resolve, to Review the Role of the Department of
Administrative and Financial Services in Approving School
Construction Projects for School Administrative Units**

Sec. 1. Study group established. Resolved: That the Commissioner of Education shall convene a study group to review and consider improvements to the current role of the Department of Administrative and Financial Services, Bureau of General Services in approving school construction projects. The following entities shall each appoint one representative to serve on the study group: the Department of Education; the Department of Administrative and Financial Services, Bureau of General Services; the Maine School Management Association; a statewide professional engineering association selected by the commissioner; and a statewide professional architectural association selected by the commissioner. Other members may be appointed at the discretion of the commissioner. The study group shall present its report, together with any recommended legislation, to the joint standing committee of the Legislature having jurisdiction over education and cultural affairs by December 15, 1996. Members of the study group must participate at their own expense.

BOTS



State Board of Education

STATE HOUSE
STATION 23
AUGUSTA, MAINE 04333

November 25, 1996

To: State Board of Education School Construction Study Group
From: Jim Rier and Marge Medd

Subject: Agenda for December 5, 1996 Study Group Meeting
Location: Drummond, Woodsum, McMahon 245 Commercial St., Portland Map attached
Use the Union St. Parking Garage, bring your ticket to the meeting to be stamped

9:00 Opening remarks and overview of meeting

9:15 Full Committee review of last meeting discussion group work

- Repairs/renovations/maintenance
- Review and finalize recommendations
- Determine content and draft language for report

10:30 Break

10:45 Full Committee review of last meeting discussion group work

- Construction process/rating system
- Review and finalize recommendations
- Determine content and draft language for report

12:00 Lunch

12:45 Wrap-up any unfinished work from morning session

1:30 Review and finalize recommendations on end of project funds

- Inclusion of moveable equipment and/or technology
- Control and use of excess bond funds

WILL ATTEND _____

2:15 Break

2:30 Finalize and draft Study Group recommendations for:

- Interim Total Project Local Funding
- Minimum Local Contribution

WILL NOT ATTEND _____
FAX 255-3112
CALL 255-3006

3:30 Adjourn

Draft #2 w/ changes from 12/4/96

5 pages

**REPORT TO THE LEGISLATIVE STANDING COMMITTEE ON EDUCATIONAL AND
CULTURAL AFFAIRS**

LD 1124

Background

LD 1124 required the State Board of Education to convene a study committee to consider the following issues in school construction:

1. Requiring a minimum local contribution from a school administrative unit for school construction costs in any year in which the local share of school construction costs exceeds the debt service circuit breaker amount for that unit;
2. Revising the school construction project rating system by including consolidation as a criterion in the rating system;
3. Revising the school construction project rating system by adding to or subtracting from the current rating criteria which include buildings and ground, school population, programs and community use of facilities;
4. Use of state school construction funds to subsidize major repairs to a school building;
5. Requiring school administrative units to prepare cost comparisons between new construction and the renovation of existing school buildings when applying for the approval of school construction projects; and
6. Other school construction issues that a majority of the study committee agrees to review.

SUMMARY

The committee makes the following recommendations:

1. Due to severely limited funds for new construction, some renovations, not necessitated by the new construction, to existing buildings should not be included in the State share of a school construction project.

2. A committee should be formed to develop a bond proposal for renovations not covered by new construction projects based on the findings of the facilities inventory mandated by this legislation.
3. The committee supports the Department of Education developing standardized maintenance plans to be distributed to all schools.
4. All projects applying for State aid for construction and renovation shall have a maintenance plan and shall demonstrate substantial compliance with it.
5. At the Program Conference for new school construction, cost benefits of renovation in lieu of construction, if any, should be demonstrated.
6. Subsequent to the facilities inventory, a panel should be appointed and funded to conduct an engineering assessment of all, or selected, public elementary and secondary school buildings.
7. The committee studied interim local financing, and recommends that the State Board of Education should investigate further.
8. The committee reviewed the issue of requiring a minimum local share for school building projects which are above the circuit breaker. The data shows that there is significant local contribution to school construction. The committee does not recommend an additional local contribution to school construction projects.
9. Excess bond funds
10. The State Board of Education should review its rating system to address the following:
 - Includ vocational projects in the existing project ratings;
 - Revise the rating form to insure it is identical to actual ratings of the State Board regulations
 - Eliminate community use from the rating scale
 - Award additional points for a combination of two or more acute conditions such as overcrowding, safety code violations and site safety.
 - Discontinue the six points awarded for secondary school overcrowding.
11. Applications should provide and include instructions for providing verifiable and accurate information on net usage of usable square footage, standardized population projections, status of fundamental building systems such as roof, structural system, mechanical system, electrical system and plumbing.
12. Recognizing the different economies of scale and different grade level costs, square footage should be capped on a "per student basis."

Discussion

Recommendation 1: The committee realized that the funds available for funding school construction are severely limited. Given current funding levels, it appears that even those projects which are on the priority list for concept and funding approval before the State Board of Education will not be funded on schedule. The group examined two special projects, both of which included 8000 square feet of new construction. The cost of the new construction in those buildings was approximately \$800,000 even though the two schools were at opposite ends of the State. The total cost of each project with the renovations included was \$3.2 and \$4.2 respectively.

An examination of what renovations have been included in school construction projects, reveals that some renovations could have been done locally and had been done in other districts locally where the district did not have an application for a project, or the application was too far down the list for consideration. The committee agreed that it should be the charge of the State Board of Education and the Department of Education to stretch available dollars for new construction as far as possible. By reducing the amount of dollars spent on renovations included with new construction could result in more available funds for new construction.

Recommendation 2: Subsequent to the facilities inventory conducted by the Research Center of the University of Maine, the committee discussed what might be done to alleviate the structural and overcrowding problems in Maine schools that could be addressed by renovations. A committee should be formed to study the results of the survey and develop a bond proposal for such construction. In addition to an amount of funds needed, this committee should also develop criteria as to how the renovation projects would be prioritized and how to insure a local contribution to the construction effort. The committee should take into consideration repairs, building and safety codes, and population projections when developing these criteria.

Recommendation 3 & 4: LD 1124 mandates that each school administrative unit applying for state funds for school construction projects shall establish a facilities maintenance plan for the life cycle of the proposed school building. The Department of Education is developing a standard plan which will be made available to all districts, not only those applying for state construction assistance.

Recommendation 5: The Program Conference is the point in a school construction project where the Department and the school administrative unit come to an understanding and agreement as to the amount and type of space needed for the school. No design work has been done at this point. The committee believed this presents an opportunity for the designer and local unit to explore the renovation and or rehabilitation of the existing structure to determine whether that form of construction would be more appropriate and cost effective than new construction.

Recommendation 6: The forms for the school inventory mandated by LD 1124 were sent to individual school building principals. The expertise among these individuals in determining the structural problems of a building varies extensively. Information received from other New England states indicates that much of the information returned might not be of a quality to give an accurate depiction of the true state of Maine school buildings. It was felt that this could only be done on a standardized basis by professional engineering personnel.

Recommendation 7: The committee was presented with the suggestion that school construction projects, upon reaching protected status, would be allowed to proceed immediately to construction in order to save money lost to inflation. The local unit would construct the project utilizing bond anticipation notes. At the time the project would normally be considered for funding approval by the State Board of Education, the district would sell bonds for the project. The committee did not feel at this time that sufficient information had been presented and did not feel it appropriate to make a definitive recommendation. The feeling of the committee was that it should be studied further.

Recommendation 8: The rating system for school construction projects does not take into account how much debt service a local administrative unit has accumulated, but rates the need of the project in relation to other requests. The funding formula and the circuit breaker determine what the local community's ability to pay for school construction should be. The district must meet a determined local contribution before it exceeds the circuit breaker. The committee looked in detail at districts that had exceeded the circuit breaker in construction costs and found that in every case, there was a significant local contribution to the construction effort. Graphic representation of this research is attached.

The circuit breaker is also flexible, changing from year to year, so that it becomes impossible to know how long or for what period of time a given district would be over the circuit breaker.

Districts are also subsidized based on total district debt service, not by individual project.

The committee determined that sufficient local contribution currently exists and that it would not be appropriate to impose a further burden on local communities.

Recommendation 9: Excess bond funds are controlled by Internal Revenue Service regulations. Fund left at the end of the project must be deposited in an account which gains no greater interest than the bond and must be used to pay off the last bond payments.

Recommendations 10, 11, 12: I was not part of the sub-group and cannot relate its discussion.

Conclusion

committee discussed minor changes, it found that

generally the system in place is basically fair and manageable. The misperceptions of problems with the program are due mainly to the frustrations associated with seven years of flat funding to debt service allocations which has allowed for fewer and fewer projects to be constructed.

Attachments

For brevity attachments are not included here. They consist of the legislation, committee members, and graphics illustrating local contribution.

Draft Minutes - Will send an update on
The report when I get the material

LD 1124 Study Committee

Date and Place of Meeting: 6 December 1996, Drummond, Woodsum, McMahon, Portland, ME

Present: Jim Rier, Judy Stallworth, Bill Stockmeyer, Jude Cyr, Scott Brown, Bob Devlin, Frank Locker, Nat Salfas, Bill Millar

Guests: Grant McGiffin, Phil McCarthy, Fran Rudoff, Ken Smith

Jim opened the meeting opened the meeting by saying that we will have to present the draft to the State Board on January 15 instead of December 11. He then passed out a draft of the LD 1660 committee report, a handout on land use regulatory reform, minutes from the 14 November meeting and a draft final report.

In reviewing the recommendations, Jim stated that the recommendation on renovations was in line with proposed Board policy. Frank asked what if renovations are cheaper than new construction. Discussion then followed on the idea of separate funding for renovations. The question was raised as to what would happen if a project had high priority for new construction and low priority for renovations. Would there be a new rating system. Jim stated that a new rating system should not completely abandon the current one. Bill Stockmeyer reminded the group that a renovation bond would be a one time amount of money, not an on-going program. A discussion then revolved around programmatic versus maintenance type renovations. Jude raised the question should the State have a bond issue every time new codes were instituted, to immediately bring schools up to code.

A discussion was held on why vocational projects were rated separately. It appears that they could rate on their own merits as regular or special projects.

Fran questioned whether there was a need for a minimum acreage requirement. Receiving schools can't factor capital expenses into tuition. What could be done in assisting local districts to realize the costs of moving schools away from central areas. Should acreage be set on a performance basis? Frank responded that the current acreage for high schools was not enough, but wording could be put into the rules regarding the use of non contiguous lots for total acreage to be more user friendly. Acreage is part of community use. Grant added that community use

is the best way to get the community involved in the building process.

A new recommendation was suggested that receiving communities should be able to recover the local share of capital costs incurred by tuition students.

Frank continued that applications should contain diagrams. Does this raise the cost of an application? It would be done by a drafting instructor.

Cohort survival is a good starting point on projections. Applicants should give their latest, April and October enrollments, cohort survival for seven years, and any reason why those are felt to be, or not to be accurate. Grant added that move-ins are hard to predict.

Capping costs on construction breeds inequity to local variations. Controlling square footage is the most effective way of controlling costs.

Frank will send Bill Millar elaboration on the rating/process.

Bill Stockmeyer stated that the State Board could determine if excess bond funds could be applied to the project or put into a fund to pay off the debt service. Bill will send information to Bill Millar to include in the report.

A discussion was held on the structure of the report.

Note changes made to the recommendations will be included in the updated draft report



State Board of Education

STATE HOUSE
STATION 23
AUGUSTA, MAINE 04333

November 8, 1996

To: State Board of Education **School Construction Study Group**

From: Jim Rier and Marge Medd

Subject: Agenda for November 14, 1996 Study Group Meeting

Location: Maine School Management Assoc Office 49 Community Drive, Augusta

9:00 Opening remarks and overview of meeting

9:15 Individual discussion group work; continuation of last meeting

- Construction process/rating and Repairs/renovations/maintenance
- Same participants in each group as last time
- Goal will be to reach conclusions and prepare recommendations

10:30 Break

10:45 Continue individual discussion sessions

11:30 **Service Center Communities** - Evan Rich rt and Fran Rudoff

- State Planning Office input for school construction policies

12:15 Lunch

12:45 Continue individual discussion groups from morning sessions

- Prepare recommendations for report writers

2:00 Break

2:15 Develop Study Group recommendations for:

- Interim Total Project Local Funding
- Minimum Local Contribution
- Excess Bond Funds
- Funding for Renovation Projects

3:30 Work plan for Study Group Report

- Structure for report- timeline for completion

4:00 Adjourn

Post-It® Fax Note	7671	Date	# of pages 4
To	Jim Rier	From	Bill Millar
Co./Dept.		Co.	
Phone #		Phone #	
Fax #		Fax #	

LD 1124 Study Committee

Date and Place of Meeting: 14 November 1996, MSMA Building, Augusta, ME

Present: Jim Rier, Paul Johnson, Joel Abromson, Frank Locker, Bill Stockmeyer, Judy Stallworth, Bill Millar, Nat Salfas, Jude Cyr, Bob Devlin

Visitors: Phil McCarthy, Taylor Allen, Ken Smith

Jim opened the meeting by distributing handouts from the State Planning Office, the LD 1660 committee minutes and the minutes of the previous meeting.

Jim reminded the group that we must come to some conclusions for the report. The meeting for the 19th of December was rescheduled to the 17th and the meeting on the 4th of December was rescheduled to the 5th. Places for those meetings will be announced.

Evan Rickert and Fran Rudoff from the State Planning Office presented a discussion of how school site locations can be advantageous to service center communities. The discussion revolved around four propositions: 1. Maine depends heavily on its service center communities; 2. The vitality of these places is slipping away; 3. Growing towns have a burden of outward shift 4. The State has aided this pattern through its policies.

Recommendations from the two groups to be incorporated into the report to the legislature were as follows:

1. Due to severely limited funds for new construction, renovations not be included in the State share of a construction project.
2. A committee should be formed to develop a bond proposal for renovations not covered by new construction projects based on the findings of the facilities inventory.
3. The committee supports the Department of Education developing standardized maintenance plans to be distributed to all schools.
4. All projects applying for State aid for construction and renovation shall have a maintenance plan and shall demonstrate

substantial compliance with it.

5. At the Program Conference, cost benefits of renovation in lieu of new construction, if any, should be demonstrated.

6. Subsequent to the facilities inventory, a blue ribbon panel should be appointed to conduct an engineering assessment of all public elementary and secondary school buildings.

7. The committee is not ready to make a recommendation on interim local financing, and the State Board of Education should investigate further.

8. Minimum local share...

9. Excess Bond funds...

10. The State Board of Education should review its rating system to address the following:

Eliminate the special status of vocational schools

Revise the rating sheet to reflect actual ratings of the SBE regulations. (I don't know what that means)

Eliminate community use from the scale

Additional points should be awarded for a combination of two or more acute conditions such as overcrowding, safety code violations and site safety.

11. Application should include verifiable and accurate information on 1. net usage of usable square footage, 2. standardized population projections 3. Status of fundamental building systems such as roof, structural system, mechanical system, electrical system, and plumbing.

12 Recognizing different economies of scale and different grade level costs projects should be capped on a "per student basis" and square footage capped on a "per student basis."

The group discussed but never agreed on the concept of reducing points from the rating if the buildings and grounds had not been maintained and allowed to run down.

*I reworded this last. but as you can see
I thought it should be separate
from #10*

STATE BOARD OF EDUCATION SCHOOL CONSTRUCTION STUDY GROUP
NOV. 14TH SUBCOMMITTEE WORK

SUBCOMMITTEE MEMBERS PRESENT:

JOEL, BOB, FRANK, PAUL AND KEN

I. RATING RECOMMENDATIONS

- A. ELIMINATE THE SPECIAL STATUS OF VOCATIONAL SCHOOLS IN THE RATING PROCESS.
- B. D. Q E RATING SHEET NEEDS TO BE REVISED SO THAT IT REFLECTS THE RATINGS OF THE ACTUAL STATE BOARD REGULATIONS.
- C. ELIMINATE "COMMUNITY USE" FROM THE RATING SCALE.
- D. APPLICATION MUST INCLUDE ACCURATE AND VERIFIABLE INFORMATION:
 - 1. NET USAGE OF USABLE SQUARE FOOTAGE
 - 2. STANDARDIZED POPULATION PROJECTIONS
 - 3. STATUS OF FUNDAMENTAL BUILDING SYSTEMS
 - A. ROOF
 - B. STRUCTURAL SYSTEM
 - C. MECHANICAL SYSTEM
 - D. ELECTRICAL
 - E PLUMBING
- E. ADDITIONAL POINTS TO BE AWARDED FOR A COMBINATION OF TWO OR MORE OF THE FOLLOWING ACUTE CONDITIONS:
 - 1. OVERCROWDING
 - 2. BUILDING CODE VIOLATIONS
 - 3. SITE SAFETY

11. RECOMMENDATIONS FOR PROCESS OF CONSTRUCTION

- A. CAPPING PROJECT COST, RECOGNIZING THAT THERE ARE DIFFERENT ECONOMIES OF SCALE AND DIFFERENT GRADE LEVEL COSTS [ELEMENTARY VS. HIGH SCHOOL]
 - 1. CAP PROJECT COSTS ON A "PER STUDENT " BASIS.

2. CAP SQUARE FOOTAGE " PER STUDENT"

111. THE GROUP DISCUSSED BUT NEVER ACTUALLY AGREED TO THE CONCEPT OF "REDUCING POINTS FROM THE RATING OF A PROJECT IF THE BUILDINGS AND GROUNDS HAD NOT BEEN PROPERLY MAINTAINED IN THE PAST AND ALLOWED TO RUN DOWN."
-



STATE OF MAINE
EXECUTIVE DEPARTMENT
STATE PLANNING OFFICE

ANGUS S. KING, JR.
GOVERNOR

EVAN D. RICHERT, AICP
DIRECTOR

November 7, 1996

Mr. Jim Rier
Chair
State Board of Education School Construction Committee
21 North Street
Machias, Maine 04654

Dear Jim:

I write to you today about an issue of common interest - the state's school construction and tuition reimbursement policies. As you know from Ray Poulin, the State Planning Office is examining the costs and impacts to the state and local governments associated with a sprawling pattern of development. Of particular concern to us is whether and how various state policies may be unwittingly encouraging or rewarding a spreading out of development into the countryside that is costly to service and support.

Specifically, in the area of school construction, we have developed some preliminary numbers that suggest that we are rewarding sprawl. Consider these statistics. In 1995, there were 27,000 fewer students in Maine's public schools than in 1970. During this same period, however, the state committed \$727 million to new and expanded schools. This happened because students were leaving the "service center" communities - the state's cities and other regional hubs around the state - for outlying communities where new school capacity had to be constructed. And, at the same time, we were closing schools in these service center communities. Indeed, we believe (but have not been able to specifically confirm) that roughly half of the \$727 million was spent building redundant school capacity; not for new growth, but to accommodate a shifting population. We also know that the cost of school busing, which is now at \$54 million per year, is six times greater than it was in 1970.

I am interested in exploring with you some options for changing existing policies related to school construction and tuition reimbursement that appear to be perpetuating this outward shift of our population.

- **Acreage requirements for new schools and expansions.** Despite attempts in 1994 to modify these provisions of the state's school construction policies, there is still a minimum acreage requirement for new schools. This policy has the direct effect of prohibiting renovations and/or expansions of schools in existing




neighborhoods or downtowns, forcing them into outlying rural areas. This approach runs counter to the state's Growth Management Act which asks state agencies and municipalities alike to grow in ways that are more compact and efficient.

- **Tuition reimbursement policies.** Our understanding of this process is that schools receiving tuition students (typically in "service center" communities) from other towns generally do not factor capital costs associated with construction or renovation into their tuition. This means that service center communities carry the financial burden of a school expansion or renovation project, without a contribution from outlying communities. We are concerned that this approach favors decisions to pursue state funded construction of new schools in outlying areas, rather than less costly investments in existing structures in service center communities. I understand from staff at the Department of Education that K-8 schools have some flexibility to negotiate tuition rates to include capital costs and would be interested in exploring whether that type of flexibility could be expanded for high schools as well.
- **Other policies that favor new construction over renovation.** I would also be interested in talking with you and other committee members about additional incentives that could be provided to communities and school districts to encourage renovation of existing schools, especially in neighborhoods designated as "growth areas" in municipal comprehensive plans.

I understand that the School Construction Study Group, which you chair, is meeting again on November 14th to develop recommendations that address a number of issues as directed by section 4 of PL 1995 c. 632. I would be pleased to attend the meeting, if our schedules permit, to discuss these ideas further. I believe we share an interest in reducing the costs of school construction and renovation, which have a major impact on the state budget and local property taxes. I look forward to talking with you.

Sincerely,



Evan D. Richert, AICP
Director

cc: D. Albanese
R. Poulin



State Board of Education

STATE HOUSE
STATION 23
AUGUSTA, MAINE 04333

October 20, 1996

To: State Board of Education **School Construction Study Group**

From: Jim Rier and Marge Medd

Subject: Agenda for October 25, 1996 Study Group Meeting

Location: Maine School Management Assoc Office 49 Community Drive, Augusta

9:00 Opening remarks and overview of meeting

9:30 Individual discussion group work; each group will be asked to:

- Define the elements of their category
- Prepare a brief summary of their discussion from an outline that will be supplied and draft preliminary recommendations
- Select a spokesperson to report their findings and recommendations in the afternoon session

10:45 Break

11:00 Continue individual discussion sessions

- Prepare outline summary including recommendations

12:00 Lunch

1:00 Report on results of the morning sessions; full group reaction & further discussion

- Construction process/rating system
- Repairs/ renovations/ maintenance

2:30 Break

2:45 Begin layout work for Study Group Report

- Structure for report- what elements to include
- Team to write the report

3:30 Develop plan for any additional work required for:

- Interim Total Project Local Funding
- Minimum Local Contribution
- Excess Bond Funds

4:00 Adjourn



State Board of Education

STATE HOUSE
STATION 23
AUGUSTA, MAINE 04333

October 18, 1996

To: State Board of Education **School Construction Study Group**
From: Jim Rier and Marge Medd

Subject: School Construction Study Group Meeting

The next meeting of the School Construction Study Group is scheduled for 9:00AM to 4:00 PM, Friday, October 25, 1996 at the Maine School Management Association office 49 Community Drive, Augusta.

During the morning session, we will break into two groups again to continue our in-depth discussions on the Construction Process / Rating System, and Repairs Renovations and Maintenance. To facilitate planning for the meeting, please Fax back (207)255-3112 before **Noon on Wednesday, October 23, 1996**, your availability for this meeting, as well as your preference for discussion groups. If you would prefer, you may call me at (207)255-3006.

Don't Forget your assignment to make a list of "School Construction Perceptions / Misperceptions". Please fax your list to Bill Millar 287-1344 so we can create a summary for distribution at this meeting. Thank you

Attendance:

☐

Will Attend

☐

Will not Attend

Discussion Group:

☐

Construction
Process/Rating

☐

Repairs/ Renovations &
Maintenance



STATE OF MAINE
DEPARTMENT OF EDUCATION
23 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0023

ANGUS S. KING, JR.
GOVERNOR

J. DUKE ALBANESE
COMMISSIONER

LD1124 Study Committee

Date and Place of Meeting: 25 October 1996, MSMA Building,
Augusta, ME

Present: Jim Rier, Paul Johnson, Nat Salfas, Judy Stallworth,
Jude Cyr, Frank Locker, Marge Medd, Julie Winn, Bill Stockmeyer,
Bill Millar

Visitors: Taylor Allen, Ken Smith

Jim opened the meeting by charging the committee to concentrate on the two areas of (1) process and rating and (2) renovations and maintenance.

The following handouts were passed out:

1. A letter from Bob Webster, Superintendent of Deer Isle CSD stating his concerns with the rating system.
2. A graph of state/local debt service.
3. A draft interim progress report Jim prepared for the Commissioner.
4. A list of perceptions and misperceptions of the school construction process developed by Jude Cyr.
5. A handout from the State Planning Office

Jim also shared charts he is currently preparing on the debt service history for districts with more than one project.

Frank asked if we should be requiring districts to show the long range information on debt service at the time of referendum.

Paul stated that they are already required to show that there's a local share.

The committee then broke into its two groups.

Frank presented for the group discussing process. The group discussed that the rating system is fair but does not address chronic or extreme problems. because they're lost when rated

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against other sections. Handicapped access should be rated on a tiered approach assuming everyone has a certain level of the problem. Overcrowding should be addressed on the number of students per square foot. More points should be given to buildings with good maintenance.

Bill Millar and Jude disagreed with the latter saying ADA and maintenance should be done anyway.

The group revisited the idea of consolidation. Nat suggested that the rating actually does address consolidation. Bill suggested that consolidation be part of the rating using the points for community use. Jim responded that rating is not the way to drive consolidation. Bill S. asked if there should be a minimum size for a school for efficient operation, barring geographic considerations.

Julie stated that there is a certain point where the State should tell the locals that size is a local decision, but the State won't pay for small schools.

A general discussion followed as to whether "bigger is better."

Frank continued that the group had wanted to include site issues under unsafe building conditions and that appeals should include someone outside the Department of Education.

The second group discussed whether renovations could be done within the existing system, and Bill M. had said he did not see a reason why that could not be. The question was raised as to whether a new category should be set up for renovation projects, but it was agreed that we could not fund the categories we now have.

Julie suggested a revolving fund from which districts could borrow to pay for renovations in the case of emergencies such as boiler failure or roof collapse.

Jude asked what types of renovations are requested as part of construction projects. Bill responded, ADA, revision of programs, tear down and rebuild obsolete portions of a building, HVAC, roof repairs and technology driven renovations were the most common.

Julie suggested that there should be legislation to mandate maintenance and allow districts to carry more money from year to year to allow for a long range maintenance plan. The commissioner should have more flexibility in tuition rates so that we could avoid projects such as the new Poland High School. The Insured Value Factor should be looked at as a source of revenue and districts should be mandated to spend 3% of their State subsidy on maintenance.

Jim added that after the inventory is complete we should be able to address projects outside the construction process with

separate funding.

Jim then directed the full group discussion to excess bond funds. There does not appear to be much that can be done due to IRS regulations. Bill S. agreed, but said the bond bank has no problem with using the excess funds to purchase extras rather than pay off the final payments.

On the interim local financing, Jim stated that we still need to define more clearly what it is.

On minimum local contribution, Jim is working on more circuit breaker data.

The group then focused on report writing. The question was raised as to what structure it should take, what elements it should have, and should a team do it?

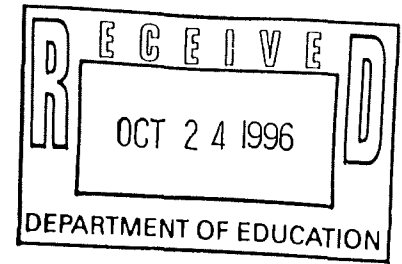
Julie recommended that the final report contain an executive summary of no more than three pages and that the report should state that there is no more money for construction, the conditions in the buildings are poor and property tax won't take any more burden.

Two additional meetings were scheduled for 4 December and 19 December.

The next meeting is scheduled for 14 November 1996 at 9:00AM in the MSMA building.

MEMORANDUM

TO: Bill Miller
 FROM: Jude G. Cyr
 DATE: 10/23/96
 RE: Perception/Misperceptions



Good afternoon Bill! I almost forgot about the assignment Jim requested of, for the October 25, 1996 School Construction Study Group meeting. Hope I'm not to late.

He had asked us to prepare a list of School Construction Perceptions/Misperceptions that are out there, and maybe some of those issues can be addressed by the Committee in the final report. Here goes:

- ◆ School Districts with more then one School Construction Project always capitalize on circuit breaker first time around.
 School Districts who maximize their Debt Service requirement and reach the circuit breaker, the "sky" is the limit on future Project cost.(No understanding of the process or procedures or guidelines.)
- ◆ Public/Legislators misperception on the workings of circuit breaker involving Debt Service.
- ◆ Perception is the School Construction Study Committee is aiming at reducing funding allocation from higher receiving districts to assist funding for lower receiving districts. (Have verses have not.)
- ◆ Misperception that the State's annual appropriation of \$67 Million for Debt Service is fully funded by State, its obligation. (No mentioning of percentage of \$67 Million that is attributed to Local obligation.)
- ◆ School Districts contention that BGS should not be involve in School Construction. The perception is that School Districts maybe able to obtain lower Architect/Engineer services. Along that same thought, School Districts should be able to award Construction Projects to other then low bidder. "Most suitable" General Contract be awarded in lieu of "lowest bidder".
- ◆ Misperception that all School Construction are Bonded via Maine Bond Bank.
- ◆ Perception is that the "Rosser Report" is being implemented in phases.
- ◆ No established guidelines or criteria for expending "moveable equipment funds" exist.
- ◆ Perception is that the "Rating System" favors School Districts who have abandoned Local responsibility for implementing Major Capital Improvements.
- ◆ Misperception is if a School District received top project rating by DOE, it was placed on protective list and funding, within three years, is guaranteed.
- ◆ Misperception is that all School Districts who apply for School Construction Projects do not have Master Plan or facility needs vision for future.
- ◆ Perception/misperception is that the current School Construction process is not equitable.
- ◆ Perception in the definition "ability to pay" is probably more in line with the term "minimum local contribution". (Community's ability to pay is already factored in the State Form - ED 261, Debt Service Allocations - Local Share.)

Well Bill, I suspect that's enough P/M. I'll leave some for the other Group members to submit.

See you on Friday.



State Board of Education

STATE HOUSE
STATION 23
AUGUSTA, MAINE 04333

September 23, 1996

To: State Board of Education **School Construction Study Group**
From: Jim Rier and Marge Medd

Subject: Agenda for September 30, 1996 Study Group Meeting
Location: Commissioners Conference Room, Department of Education, Augusta

9:00 **Opening remarks and overview of meeting**

9:15 **Interim Total Project Local Funding**

- Wordsmith a clear definition with visuals
- Define impact of altered approval process on D.O.E. and B.G.S
- Define fiscal impact of interim bonding/inflation rate
- Recommendation for process changes; rule-making or legislation?

9:45 **Minimum Local Participation**

- Further develop and clarify construction approval history
- Begin to frame a recommendation on this issue
- Additional information required

10:30 **Break**

10:45 **Divide into (two) Groups for In-depth Discussion**

(Assignments will be made at the meeting but if you have a preference please check the appropriate box along with your availability for the meeting below)

☐

Begin to work on the category of Repairs/Renovations/Maintenance that we did not address last time

☐

Continue work on the category of Construction Process/Rating System that we began last meeting

11:45 **Review Discussion Sessions and Requirements for Next Meeting**

12:00 **Adjourn**

Fax 255-3112 or call 255-3006

_____ **WILL ATTEND**

_____ **WILL NOT ATTEND**



Angus S. King, Jr.
Governor

J. Duke Albanese
Commissioner

DEPARTMENT OF EDUCATION

Telephone (207) 287-5800
TDD (207) 287-2550

LD 1124 Study Committee

Date and Place of Meeting: 30 September 1996, Department of Education Building

Present: Jim Rier, Marge Medd, Joel Abromson, Jude Cyr, Judy Malcolm, Paul Johnson, Bill Stockmeyer, Bob Devlin, Andy Ayer, Frank Locker, Nat Salfas, Bill Millar

Guests: Greg Scott

Visitors: Taylor Allen

Jim opened the discussion with interim local financing. We need to develop a short description of what it is. We also need to know the impact it would have on bond ratings and if there would be any inflationary savings.

Bill S. added that there would have to be a funding approval to get interim funding.

Andy suggested that interim local financing would have to be at local expense.

Paul and Nat both suggested that programming and site selection would take long enough so that it wouldn't work.

Jim responded that we need to articulate what it will do.

Marge raised the issue of emergency projects which could delay final funding for a project funded locally.

Both Jim and Jude added that the risk of having a funding date postponed would have to be known up front.

Paul stated that we should be careful that we don't set up a system in which only the affluent communities can participate.

Jim raised the question as to what changes we would need in school funding to accomplish this. Would it be rule or statute?

Greg stated that the case for rule-making instead of legislation would have to be very tight. He also felt that we could expect legislation dealing with local minimum share, prototype building

plans (the "cookie cutter" approach), and perhaps restricting funding to those projects which include consolidation.

Jim responded that we will need to articulate the perception of the issue of minimum local share. We should frame a recommendation, and asked for all participants to list what they felt the perceptions were, so that we could formulate a response.

Joel added that a printout showing what districts had actually contributed to debt service would be more helpful than a visual diagram. It must be shown that there is a local share.

Andy stated that the Rosser Commission had recommended a local share to control costs above the circuit breaker.

Jim added that there is a perception that schools over the circuit breaker cost more.

Andy suggested that we look at caps on costs per square foot for construction. Nat responded that the problem with that is that construction costs vary around the state.

Jim stated that we should change focus from minimum local contribution to cost containment methods. Greg added that the Rosser Commission was concerned that the available money should be stretched as far as it can go.

Jim stated that cost containment should be done through the current process and that local minimum share will only make more money available through failed referenda.

Greg added that there had been much discussion on allowing the locals to build what they wanted but the State participating only on a certain level. Jim responded that shifting costs doesn't make any more money available.

Greg said that our report should go to the legislature as early as possible.

Bill S. asked the question that when projects are turned down, is there any savings to the State in the continued use of portable/leased classrooms.

Judy responded that there has been a 14% increase in portable classrooms over the past two years.

Jude shared an Auburn plan for the use of leased space, allowing for the closure of Great Falls School.

Bill Millar suggested that maybe we should look at expanding the replacement of leased space program. Judy added that the completed inventory should be of value.

There was some discussion as to whether the statute should be changed to show that the debt service limit is a combined

state/local amount.

The committee then broke down into two groups:

Group I to continue the discussion of the process: Joel, Andy, Frank, Jim and Paul.

Group II to discuss renovations: Nat, Bill M. Bill S. Marge, Jude, Bob

Date and Place of Next Meeting: 25 October 1996, 9AM-4PM, Maine School Management Building, Community Drive, Augusta.



State Board of Education

STATE HOUSE
STATION 23
AUGUSTA, MAINE 04333

September 12, 1996

To: State Board of Education **School Construction Study Group**

From: Jim Rier and Marge Medd

Subject: Agenda for September 18, 1996 Study Group Meeting

Location: Maine Room, Moulton Union, Bowdoin College, Brunswick

9:00 Opening remarks and overview of meeting

9:30 Individual discussion group work; each group will be asked to:

- Confirm and/or refine the goals that we set last meeting for their category
- Prepare a brief summary of their discussion from an outline that will be supplied
- Select a spokesperson to report their findings in the afternoon session

10:45 Break

11:00 Continue individual discussion sessions

- Prepare outline summary

12:00 Lunch

1:00 Report on results of the morning sessions; full group reaction & further discussion

- Construction process/rating system
- Minimum local participation
- Repairs/ renovations/ maintenance
- Interim total project local funding/ disposition of excess bond funds

2:45 Break

3:00 Develop a work plan / timeline for future meetings

- Additional data required
- Additional expert testimony required from outside our committee

4:00 Adjourn

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State Board of Education

STATE HOUSE
STATION 23
AUGUSTA, MAINE 04333

September 12, 1996

To: State Board of Education **School Construction Study Group**
From: Jim Rier and Marge Medd

Subject: School Construction Study Group Meeting

The next meeting of the School Construction Study Group is scheduled for 9:00AM to 4:00 PM, Wednesday, September 18, 1996 in the Maine Room, **Moulton Union** at Bowdoin College in Brunswick. A map for the location and parking is attached. I will forward the agenda shortly.

During the morning session, we will break into small groups for in-depth discussion in each of the four categories of our study. To facilitate planning for the meeting, please Fax back (207)255-3112 before **Noon on Monday, September 16, 1996**, your availability for this meeting, as well as your preference for discussion groups. If you would prefer, you may call me at (207)255-3006.

Attendance:

☐

Will Attend

☐

Will not Attend

Discussion Group: (Please indicate 1st and 2nd Preference)

☐

Construction
Process/Rating

☐

Interim Total Project Local Funding
Disposition of Excess Bond Funds

☐

Minimum Local
Participation

☐

Repairs/ Renovations &
Maintenance



Angus S. King, Jr.
Governor

J. Duke Albanese
Commissioner

DEPARTMENT OF EDUCATION

Telephone (207) 287-5800
TDD (207) 287-2550

LD 1124 Study Committee

Date and Place of Meeting: 18 September 1996; Moulton Union Building; Bowdoin College; Brunswick, ME

Present: Jim Rier, Marge Medd (SBE), Judy Stallworth (MSAD 75), Paul Johnson (MSAD 60), Senator Joel Abromson, Jude Cyr (ASBO), Gary Wood (MMA), Frank Locker (AIA), Bill Stockmeyer, Nat Salfas (BGS), Bill Millar (DOE)

Guests: Gary Leighton (DOE), Cathy Robinson (MBB)

Visitors: Ken Smith, Taylor Allen, Dan Cecil

Jim Rier opened the meeting at 9:00 AM and the group was divided into three sub-groups. The group to discuss the minimum local share issue consisted of Paul, Jude, Bill Stockmeyer and Gary Leighton. The group designated to discuss the construction rating process consisted of Joel, Frank, Gary Wood and Bill Millar. The third group, designated to discuss the use of excess bond funds and interim local financing, consisted of Jim, Judy, Marge and Cathy.

At the end of the subgroup discussion period, each subgroup presented the results of its discussions.

Bill S. presented for the group discussing minimum local contribution.

The group decided that there were three areas which should remain throughout their discussion:

1. Schools should be built where there is the greatest need.
2. It is fair to expect a local contribution to a construction project, but unfair to expect a community to go beyond its ability to pay.
3. It is appropriate for the State to pay for costs above the local ability to pay.

Subsidy should be looked at on a system-wide, not project by project basis. The latter does not take into account the

financial effort the local district is already making. Once need has been determined, it is unfair to expect payment beyond the ability to pay.

Paul added that the present system works. Local contributions are made to the construction process, it's just a perception that a district gets a "free" building.

Jim suggested that we need to clearly define what has been going on to show that the perception is incorrect. We should show a history of how much debt service local districts have paid.

Frank added that we need to focus on a district rather than project specific basis and that the definition of "ability to pay" is still open.

Joel suggested that we should leave the ability to pay as it is but that the term "minimum local contribution" sounds good politically.

Jim handed out a printout showing school construction projects approved since 1975. Part of the information showed the approved amount and the subsidizable amount for each. Bill S. suggested that we should add columns showing how much of the approved amount had been paid by the locals and how much had been paid by the State. We should also see how much debt service a district is paying in total debt service.

Gary Leighton stated that we have information on a district basis, but not on a project by project basis. He also added that no one gets a school for free. Paul added that every district subsidy printout will show a local contribution to debt service. Ten years ago there was a local share, and the legislature felt it was not fair. Joel responded that the current legislature won't care what the legislature felt ten years ago.

Frank then presented the findings of the construction rating/process group.

The true problem the group identified was that there is no money to fund the program. Our task, then is to see how we can make it seem fair.

The rating system makes the process look like a contest rather than a rating but there was nothing the group felt could be done about that perception. The fact that three ratings done on schools this April came out the same as ratings done on those same schools several years ago by different people, demonstrates that it is a valid system.

The group also explored rebalancing funding, such as funding only 50% of a project, and decided that was not appropriate.

The current cooperation between the DOE and BGS is a plus in insuring equity.

Administrative reviews should not be handled within the DOE as the appearance is that it would be fairer if handled independently. However the current process used with DOE and BGS is the most staff efficient.

Announcements for ratings should go out on a specific, set date. But it was recognized that DOE staff might not be able to meet that goal.

In the rating criteria, community use is the least important and could be replaced by something else. It was also felt that the list of community uses on an application can be manipulated.

Incentives should be built into the process for larger scale and longer range planning. There should be a reward or disincentive if the application does not demonstrate good planning. It was noted that all schools impacted by an application are scrutinized.

Should a district be limited to a single application within a given period of time thus forcing it to take a good look at total district needs? This leaves open the question of a district needing more than one project, however.

In the discussion of consolidation it was decided that we have no simple definition of "consolidation" nor do we know the demonstrated effects of it. The question was posed as to whether past consolidation should be put into the rating system or future consolidation promised by the project. It is important to know whether consolidation is being driven by education or finances. That is the question that should be answered first.

Frank discussed research he has read on the consolidation efforts in the mid-west. Evidence shows that there are negative side effects to larger, consolidated buildings. If we are looking at consolidation strictly from a financial point of view, we are doing the children a disservice. There is no statement of optimum school size, and we need to get information from states that have consolidated.

Consolidation could also pose an equity issue in that many places have already consolidated all that they can, and it is not possible for other areas.

How do we create a more equitable distribution of limited funds? Do we limit the number of applications a district may file in a given period? Do we establish administrative constraints such as a maximum square footage per student? To what extent do we fund renovations? Do we take movable equipment out of the construction project, making it a local expense?

Nat questioned how a time limit on applications would address a multi-building master plan.

Taylor Allen stated that not addressing the lack of funds was discouraging.

Jim responded that the group was trying to build a foundation so that we could justify seeking more money for construction.

Renovations will be discussed in greater detail at the next meeting.

Nat and Jim presented for the group discussing excess bond funds and interim local financing.

The group discussed having the Maine Bond Bank (MBB) do all the interim financing to save money or should it be handled on a district by district basis. Local banks would lose business under the former scenario, however. It was also mentioned that some municipalities have a better bond rating than the MBB, and we need to understand the cost of selling bonds. Cathy will provide that information.

For interim local financing the interest could be higher without State Board approval for the project. At present MBB cannot do that type of financing. We need to know if increased interest rates would offset inflation savings. Bill S. will get more information on this.

Excess bond funds: tax codes force us to apply those funds to final payments. We could possibly prevent over bonding by not funding movable equipment immediately.

It was suggested that interim financing, by pushing through more projects than usual, could create staffing problems at DOE.

It was also suggested that we take a representative project from three years ago and work through what it would have cost that project if it had been done with interim local financing.

The next meeting is scheduled for 30 September 1996 from 9:00 to 12:00 AM in the Commissioner's Conference Room of the DOE Building.

Nat concluded that meeting that Maine is one of only 15 states that does not have a ten year plan for its own buildings. The State should set the example for schools by doing so. Perhaps the group should also note that in its findings.



State Board of Education

STATE HOUSE
STATION 23
AUGUSTA, MAINE 04333

August 21, 1996

TO: State Board of Education School Construction Study Group

From: Jim Rier and Marge Medd

Subject: Agenda for August 27, 1996 Study Group Meeting

Location: Maine School Management Assoc. Office, Augusta (map attached)

12:15 **Lunch**

1:00 **Opening remarks and overview of meeting**

1:15 **Project Rating System**

- Clarify our goals
- Review State Board of Education Regionalization Study
- Determine additional background required

2:00 **Minimum Local Contribution**

- Define our goals
- Review possible approaches
- Determine additional background required

2:30 **Break**

2:45 **Funding Options**

Interim Local Funding

- Clear definition of ILF and our goals
- Impact on approval process
- Background necessary to formulate a Policy

Disposition of excess bond funds

- Develop a clear definition of parameters
- Additional background required

3:30 **Funding of Major Repairs and/or Renovations**

- List our goals in each area
- Additional background to define possible approaches for each goal

4:00 **Adjourn**



Angus S. King, Jr.
Governor

J. Duke Albanese
Commissioner

DEPARTMENT OF EDUCATION

Telephone (207) 287-5800
TDD (207) 287-2550

LD 1124 Study Committee

Date and Place of Meeting: 27 August 1996, Maine School Management Building, Augusta, ME

Present: Jim Rier, Marge Madd, Andy Ayer (SBE), Paul Johnson (MSAD 60), Judy Stallworth (MSAD 75), Frank Locker (AIA), Jude Cyr (ASBO), Bob Devlin (MMA), Senator Joel Abromson, Ray Poulin, Bill Millar (DOE), Nat Salfas (BGS)

Guests: Dennis Doiron (AG)

Visitors: Ken Smith, Dan Cecil, Taylor Allen, Lorrie Vail, Chris Schoenbeck

Jim Rier opened the meeting at 1 PM by describing four areas the committee was charged with reviewing: the construction project rating system, minimum local contribution, funding options, and funding of major repairs and/or renovations.

Rating System Goals:

1. Fair distribution of funds and responsive to essential instructional needs.
2. Encourage consolidation.
3. Encourage capital improvement.

Nat stated that in his experience, school districts really don't know what they want when they start a project. Could the initial application be written to be more to the point. Frank added that long range planning should be part of the process. Paul responded that it is sometimes difficult to do because of the time span between initial application and concept. There are often personnel and policy changes that occur during that time. Marge stated that the establishment of outcome based learning and the learning results would be of assistance in that regard.

Andy presented information on the State of West Virginia which requires each district to submit a ten year plan.

Nat suggested that a fourth goal be added: to encourage districts to add a vision for their education of students. In

that way it could be seen if the building plan matched the vision.

Judy suggested that the committee look at how the system rates secondary against elementary projects.

Jim distributed packets concerning the Regionalization Task Force. The task force's final report is due in December.

Frank presented a handout outlining the process architects follow with the Department of Education and the Bureau of General Services.

Jim suggested we change the category to "Construction Process/Rating System" to broaden its scope to include the above comments.

Minimum Local Contribution Goals:

1. Fair and equitable distribution of resources.
2. More money for other districts' needs.

Paul stated that the circuit breaker insures a local contribution.

Andy raised the question how costs on projects above the circuit breaker could be controlled. We should be looking at ways to do that.

Jim stated that the whole issue is politically charged, and questioned how we avoid that.

Frank pointed out that we look at a project as a building. The rating system is blind to the circuit breaker. The circuit breaker is the first time we look at the district as a whole.

Bill stated that the rating system exists to identify those projects that are the neediest and the circuit breaker exists to assist communities that have exceeded the expected local effort. If a project has been rated as the neediest and the currently district has already met its expected local obligation, why should they be penalized?

Jude suggested that if a district already has a new project, perhaps they should not get another one right off.

Nat suggested that renovations should be funded locally to conserve construction monies.

Andy stated that the committee should look beyond the narrow focus of a minimum contribution over the circuit breaker. Should we be talking about cost control measures like square foot per student and cost per square foot. Should there be other forms of local participation.

Paul asserted that the system in place works, it's just that people don't understand it.

Funding Options:

The proposal was advanced to allow interim financing. This would allow a district to seek concept approval as soon it is placed on the protected list and seek interim financing to begin construction immediately. Funding approval by the State Board would be granted at the originally scheduled time to reimburse the district.

Bill presented a handout pointing out some of the pros and cons of the issue.

Jim said he believed the impact would be minimal as few districts would participate.

Paul recommended that this proposal be changed to ~~"total"~~ interim ^{10/22/91} funding" to more accurately reflect what it means. ^{leave}

^{INTERIM}
Both Ray and Andy stated that this option would require a massive overhaul of the rules

Excess Bond Funds:

Dennis Doiron explained the status of surplus bond funds and interest. Currently surplus funds must be retained to repay the final payments of the bonds.

Nat suggested tighter controls on the "wish lists." Paul responded that those lists are approved by the Department of Education before the project is even bonded.

Andy raised the question as to why the State couldn't bond construction projects. Dennis' response was that the State is limited in its bond holding capacity. The question was then raised, could not a bonding authority be created

It was generally felt the committee needs more discussion on bonding with some expert assistance and input.

Major Repairs and Renovations Goals:

1. Reduce impact on local schools to fund repairs.
2. To provide State assistance for major repairs.
3. Define criteria for renovations as part of a school construction project.
4. Determine if the State should consider assistance for renovation of schools ~~not~~ eligible for a new construction project.

5. Determine if it is prudent to require a cost analysis for renovation versus new construction.

Nat asked if there was a policy on what was funded for renovation. Bill responded that there was not, but the definitions for Regular and Special Projects stated that renovations "could" be part of the project. He also stated that this committee would be a good vehicle to establish such a policy.

Next Meeting: The next meeting will be held on September 18, 1996 from 9 AM to 4PM. The location will be announced.



State Board of Education

STATE HOUSE
STATION 23
AUGUSTA, MAINE 04333

July 29, 1996

To: State Board of Education **School Construction Study Group**
From: Jim Rier and Marge Medd

Subject: Agenda for July 31st meeting (Room #120 State Office Building, Augusta)

- 9:00 Opening remarks and introductions
- 9:15 Review legislation; origin and background
- 9:30 Define goals and expectations; establish timeline for completion
- 10:00 Break
- 10:15 Review current construction process and rules
- 11:00 Define critical elements for this study and subsequent background needed for next meeting
- 12:00 Adjourn

*Meeting Notes***MEETING NOTES****State Board of Education School Construction Study Group**

Notes taken by Nathaniel Salfas

Please note that the State Board of Education secretary, Alvine Creamer can be reached via

E-mail at: alvine.creamer@state.me.us

July 31, 1996

These notes were prepared by Nathaniel Salfas to the best of his understanding. If you find the notes to be inaccurate, please contact BGS at 287-4000 within one week of receiving them.

Present: Jim Rier, Chair
Nat Salfas
Judy Stallworth
Gary Wood
Frank Locker

Marjorie Medd
Joel Abromson
Andrew Ayer
Jude Cyr
William Stockmeyer

(Audience)
Rodney Boyonton
John Butts
Judy Malcolm
Peter Geiger

Ken Smith
Don Lewis
Dan Cecil

Alvine Creamer
Alvine Creamer
Alvine Creamer

Absent: Paul Johnson
Bill Millar

Julie Winn

Introductions and Opening Remarks

The meeting was called to order by the Chair, Jim Rier at 9:15 AM. In his opening remarks, Jim presented a simplified overview of L.D. 1124, An Act Regarding School Facilities and Debt Service Limitations. Jim also presented a view of what he expected the State Board of Education School Construction Study Group to accomplish.

Peter Geiger, State Board of Education Chair was then introduced from the audience. Members of the committee then introduced themselves and provided a brief description of their backgrounds and/or interests.

Review of Legislation

Jim Rier returned to discussing the issues that were described in Section 4 of the legislation, using a flip chart, which rested on an easel behind Jim's chair to illustrate an approach. The 6 items described in the actual legislation had been abstracted to four categories. They were: 1) minimum local contribution; 2) project rating; 3) funding major repairs; 4) others. Jim proposed to include item #5 of the legislation, "Requiring school administrative units to prepare cost comparisons between new construction and . . . renovations." in item #4 to simplify the discussions that will have to take place.

Vocational Schools

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Jim Rier then asked the Construction Study Group if the approach of using 4 general categories was acceptable. There was general approval of that concept. Jim then stated that he hoped the committee would look at the expenditure of funds left over at the conclusion of a construction project. He hoped to discover the most productive way to use any remaining monies left over when a construction contract was awarded for an amount lower than the original cost estimates.

Joel Abramson stated that the issue could become political

Andy Ayer Thought that the group should look at the whole area of how school projects are bonded, and mused that perhaps a central bonding authority might be one solution.

1. Minimum Local Contribution

Jim suggested that we include local bonding as another issue. He referred to a suggestion that the State Board of Education grant approval for funding of projects on the protected list built initially with local funds, with the state assuming financing when funds became available, but he wasn't convinced that the financing concept belonged in the discussion of school construction.

Nat Salfas asked for a handle for this concept.

Bill Stockmeyer suggested "Interim Local Funding Proposal."

Gary Wood described the present rating system as unpredictable. According to Gary, the idea of rating a school every year leads to a lack of planning. Portland had to plan on floating \$30 million worth of bonds to proceed with school construction, and that took considerable planning. Gary then used dump closings as a way of illustrating how the state has used long range financial planning to effectively close landfills across the state.

Nat asked if it was proper to compare the closing of dumps with school construction, since the comparison involved a static versus a dynamic model.

Andy affirmed that interim local financing should be part of committee's consideration as it pertains to school construction.

Joel agreed that local financing option should be added to the discussion

Jim thought we could take it on.

Jude Cyr asked if there were overlapping issues

Judy Stallworth responded that when we talk about local contribution to school construction costs, the idea of interim local financing will come up.

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Gary added that if the State Board of Education Construction Study Group did not look at interim local financing the legislature would.

Bill informed the committee that he felt that interim local financing was limited in scope to protected list projects. He saw savings in two areas: savings in construction cost by avoiding the consequences of inflation and savings in interest rates due to the timing of the financing.

-V. Minimum Local Share
 Andy reflected that the idea of a minimum local share, which has been considered in the Rosser report was a "knee jerk" reaction. He stated that he wants to consider how to make the most effective use of construction monies, citing silos added to school buildings for aesthetics as an example of wastefulness. He also thought that two extremes existed in some peoples minds: the "cookie cutter school" or the silo. He thought it would be helpful to examine how other states fund school construction and hoped that in the end, schools would be built where they needed to be built. Andy cited the merits of providing competent building in rural areas, suggesting that a well education individual might someday move to a city such as Portland and make a significant contribution to that community's economy, in part, because of the education received in rural Maine. Andy affirmed that equality between different settings was important.

Joel reminded the group that climate differences within the state boundaries obviated "cookie cutter" design of schools.

Frank Locker felt that fiscal prudence required examining school construction from a number of points of view such as: program, construction techniques, and site design. He stated that he was aware of overzealousness and thought that the committee needed to look at a way to control it.

Jim added that it was important to be able to define what we, as a group were talking about. According to Jim we need to frame fiscal prudence so that we can consider it properly.

(Frank & Andy will work together to accomplish.)

Gary agreed that fiscal prudence and state dollars should be linked, but he questioned the value of the circuit breaker. He suggested that some districts might pile all their projects on top of each other, eliminating be a long wait for financing if the circuit breaker was not in effect. According to Gary, there are 185 school districts and 50% of them had hit the circuit breaker. Once the first project in a district which is at the circuit breaker is approved "you're really rolling." And that lead to quite a disparity between districts.

Jim responded that if we had no circuit beaker we might not be building schools. There was a need to clarify the data to understand it.

Bill then asked if item #5 of L.D. 1124 would be included with the project rating system discussions. *Cost comparison of renovations.*

Jim Rier responded that it would if it was O.K. with the rest of the committee. There were

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gestures of general agreement. Copies of L.D. 1124 were provided for everyone. The meeting then took a fifteen minute break at 10:05 AM.

After the committee had reconvened Jim distributed a black loose leaf binder to each member and proceeded to describe its contents. A flow chart depicting the construction process was described in some detail. The chart was prepared on the 8-1/2" x 11" pages which could be fitted together to form a graphic depiction of all the critical approval points a project had to cross in order to successfully pursue a project. Of particular interest, according to Jim was the number of parties who reviewed the various steps involved. Jim also briefly described the tabbed sections of the notebook, containing: Educational Specifications, Rules for School Construction, newspaper clippings, etc. Jim added that more information was needed regarding what the minimum local share of funding was required by projects that had received funding in the past. He felt that this information would help the Committee brainstorm the consequences of altering the amount of contributions that were required locally to qualify for a state supported school construction project. Jim suggested that we look at the last 5 years.

Gary said that 5 years was not long enough to develop a good understanding of the dynamics of school funding. He suggested that we needed to go back 10 to 20 years. He thought we should learn what municipalities or districts received the funding and what percentage of projects were funded by the state.

Marjorie distributed the February 1995 *Rosser Report* which examined funding for school construction in some detail.

Marjorie then wrote the E-mail Address of the State Board of Education Secretary on the flip chart and suggested that any information or inquiries could be directed to: alvine.creamer@state.me.us.

2. Project Rating

Andy -resumed discussion about the kind of information that would be helpful in the committee's search for clues to make the school construction process more responsive to the needs of Maine citizens by suggesting that needs should be dollar blind.

Gary responded by noting that applications, however, were timed for maximum financial effectiveness on the part of the school unit.

Andy repeated his opinion that school districts should compete in a fair and equitable basis and suggested that it would be "back room planning" to do otherwise.

Gary then questioned the fairness of the rating system if a couple of points made a difference whether or not a district received millions of dollars in funding, suggesting that the study group

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might have to support a minimum contribution. He wanted to see how many projects fell under the provisions of the circuit breaker.

Jim interjected that he felt it was important to put schools "where schools were needed," and he did not think that the committee should get confused with issues of funding. "Fairness to kids" came first. Jim called for a clear definition of what fairness meant.

Judy suggested that the study group look at how much local money is included in renovations and compare that with the total cost of a project. She wondered if schools, that had been renovated with local funds, were at a disadvantage when reviewed for suitability for a state funded construction project.

Andy stated that these local costs should be available for scrutiny.

Jim responded that finding such data for 20 years might be more difficult. Jim also thought it would be informative to examine projects that had been defeated at public referendum even though the projects were to receive considerable state financial support.

Nat asked how long the protected list had been around.

Marjorie thought it had been developed in 1988

Bill reminded us that the length of the protected list had changed, becoming shorter as the funds have run out

Frank suggested that it would be helpful to examine a spreadsheet that would detail the General Purpose Aid that a school unit received and include the number and costs of projects that received state aid.

Andy showed the committee a graph indicating how schools achieve a great deal of state funding when the costs of the project exceed more than 10% of 2-1/2 mills above the circuit breaker. The chart indicated how successive projects when undertaken in close succession can increase the likelihood of nearly complete state funding. Andy wanted to know what communities had received funding in this area, what schools were built using that formula, and in what year were these schools built.

Bill wanted to know if a list was available to show how schools funded almost in their entirety compared cost of schools that were locally funded.

Gary added that he thought it would be helpful to look at broader scope of school projects- including those that had received only partial state funding. Then he asked how the benchmark of

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a mill rate of 2-1/2 was established initially. He felt an understanding of its origins would help the committee understand the implications of funding mechanisms.

The Rating System and Consolidation

Jim informed the group that he and others have been looking at other states for information on regionalization. Reforms in the operation of schools across the country was hard to find. Expertise in regionalism was also hard to find. Discussion about regionalization would inform policies involving school construction.

*I committed to give description of
Regionalization this time.*

Frank raised the question: was it a clear conclusion that consolidation is better?

Jim responded that an early perception existed that his work exploring regionalization was actually research of consolidation. Since then he hopes to make it understood that the focus of any work that reforms the operation of schools focuses on the children. According to Jim, consolidation is now being questioned, and it is not a foregone conclusion that school do a better job because they are bigger. Jim cited Washington County as an example of an environment where regionalization committees can get to the to discuss common interests.

Bill warned that if points were given in favor of schools that made plans for consolidation the result might unfairly skew funding towards school units not consolidated and away from school districts that were already consolidated.

Jim agreed stating that considerations taken to extremes could create a problem.

Frank thought that information that relates building costs to size would be important to have.

Andy cautioned that it would be inappropriate to compare the costs of bricks and mortar to those of management. Educational costs should be considered separately from non instructional costs. He wondered how if rating system could consider operational cost. These costs or savings could be translated into points toward a higher rating.

Gary reiterated his statement that it would be helpful to see previous protected lists and called for an examination of the past two years.

Andy thought that we should look at the past 10 years.

Judy expressed an interest in including data on the appeals process as well.

Bill stated that he thought consolidation important, but he would hate to see a school that was not consolidated kept off the approval list or those already consolidated not receiving enough credit.

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At this point Don Lewis from the audience asked if he could speak about consolidation. Chair Jim Rier said that he could and Don added these thoughts. It would be helpful to look at school referenda that were turned down when consolidation was a factor in a school project. He asked the committee to consider other funding mechanisms such as a lower rate of funding for units not wishing to consolidate.

Andy observed that the way in which funding is implemented can modify the behavior of school districts.

3. Funding of Major Repairs

Jim observed that the major problems with the backlog of school repairs has been lack of funding. He suggested that it would be helpful to examine what major repairs that the state has supported.

Judy thought that the rating system might penalize school units for keeping buildings up.

Frank expressed interest in looking at how repairs were funded in the past. Were code violations covered?

Nat briefly discussed the notion of grandfathered buildings, and asked if a policy existed that funded buildings that did not meet current codes but, like the State Office building, were grandfathered.

Gary thought that data was needed on what a major renovation entailed. He thought that some schools were not properly covered by insurance, and that if proper insurance coverage were compulsory the insurance companies would require schools (their insured) to keep buildings in good repair.

Bill understood the purpose of the L.D. 1142 was to examine if some of the dept service should pay for school repairs.

According to Nat, a change in funding requirements would require some transitional policies to help school districts that have schools in such bad repair that meeting new requirements would be impossible.

Andy thought that the all district should be required to have a capital improvement plan, particularly those seeking state funds.

Jim Rier stated that legal help was going to be needed to consider other funding options, such as the interim local funding previously suggested.

Bill thought that the study group should consider the use of funds, tax issues, and approvals of the

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State Board of Education.

Jude thought that the investment value of construction funds should be considered.

4. Other

At this point the discussion specifically focused on interim local funding.

Marjorie Medd said that she would work on the matter for future meetings.

Gary Wanted to hear from opponents, and wondered if there were going to be any.

Marjorie thought that it made presently made sense because interest rates are so low, although she cautioned that administration of many projects at once could be very difficult.

Nat thought that the rate of change in building technology and school design was swift. Large commitments made all at once could result in a great percentage of schools with a lot of defects, because the current trends popular today might later prove to be flawed. He cited the concept of the open classroom school as an example.

Frank countered that such a concern would be similar to one not buying a computer now because one wants to wait for future enhancements.

Ken Smith from the audience asked if he could make a contribution to this discussion. He wanted to submit his recommendations in writing. It was agreed that Ken would submit copies of his discussion of interim local funding to the group.

Andy Ayer wanted to know how the group was going to handle all 5 items in L.D. 1142. Was the group to take it all at once or break it into pieces. 1124

Jim said that the items listed in the legislation were all interrelated and should probably be considered at the same time.

Joel asked what the result of the legislation would be. Was it going to just be another report sitting on a shelf. He expressed interest in having the work of the State Board of Education School Construction Study Group result in legislation.

Nat thought that even if no legislation resulted from the work, the Department of education would have more authority when working with school units, because any changes in rules or funding requirements would have the weight of this group behind it.

Marjorie thought that legislation was a possibility. An administrative directive would be the least

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outcome.

Future meetings were scheduled. Location will be announced. Date and time as follows:

Tuesday, August 27, 1-4 PM

Wednesday, September 18, 9 AM-4 PM

Monday, September 30, 9 AM-4 PM 9am - 12:00

Friday, October 25, 9 AM-4 PM

Thursday, November 14, 9 AM-4 PM

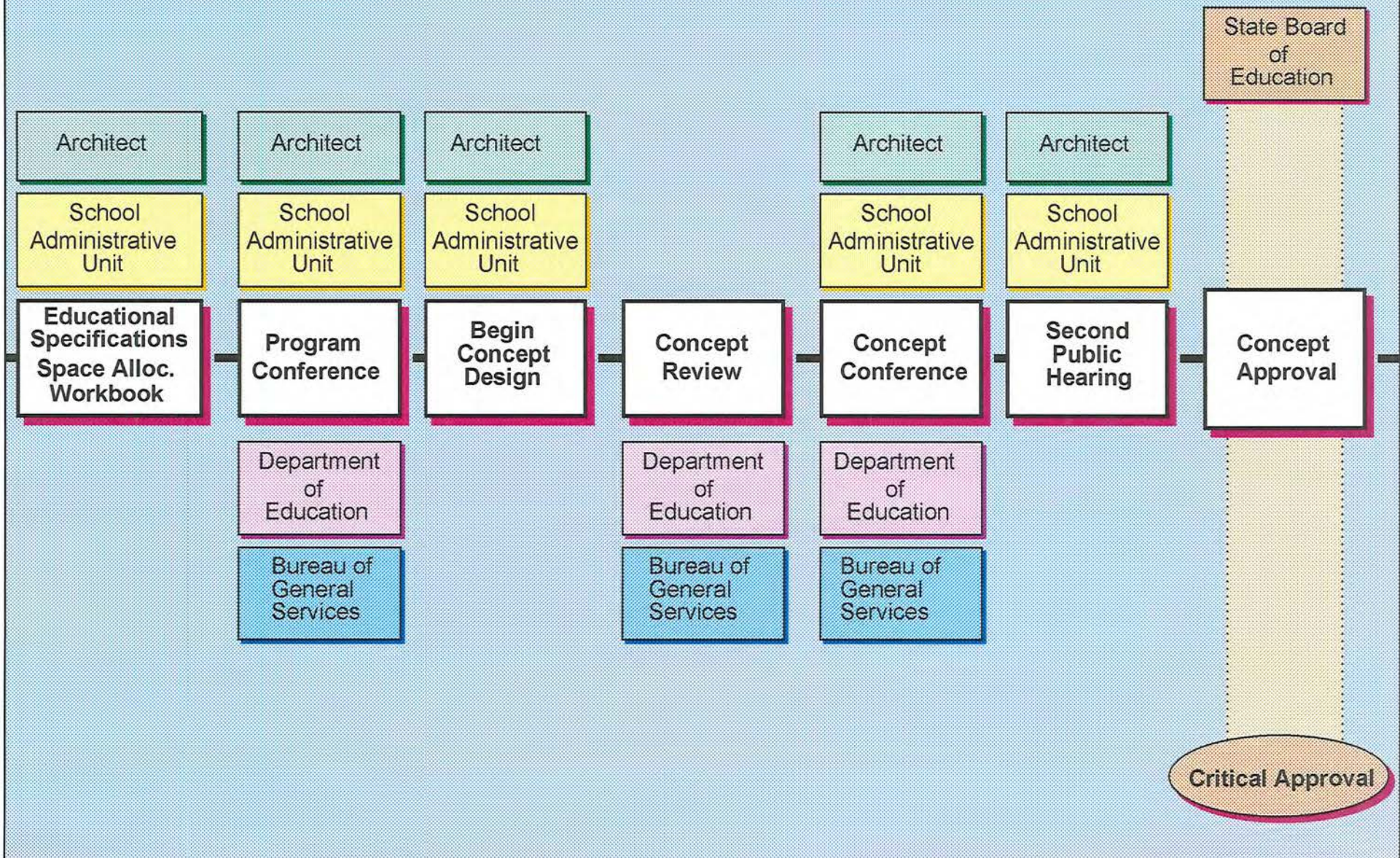
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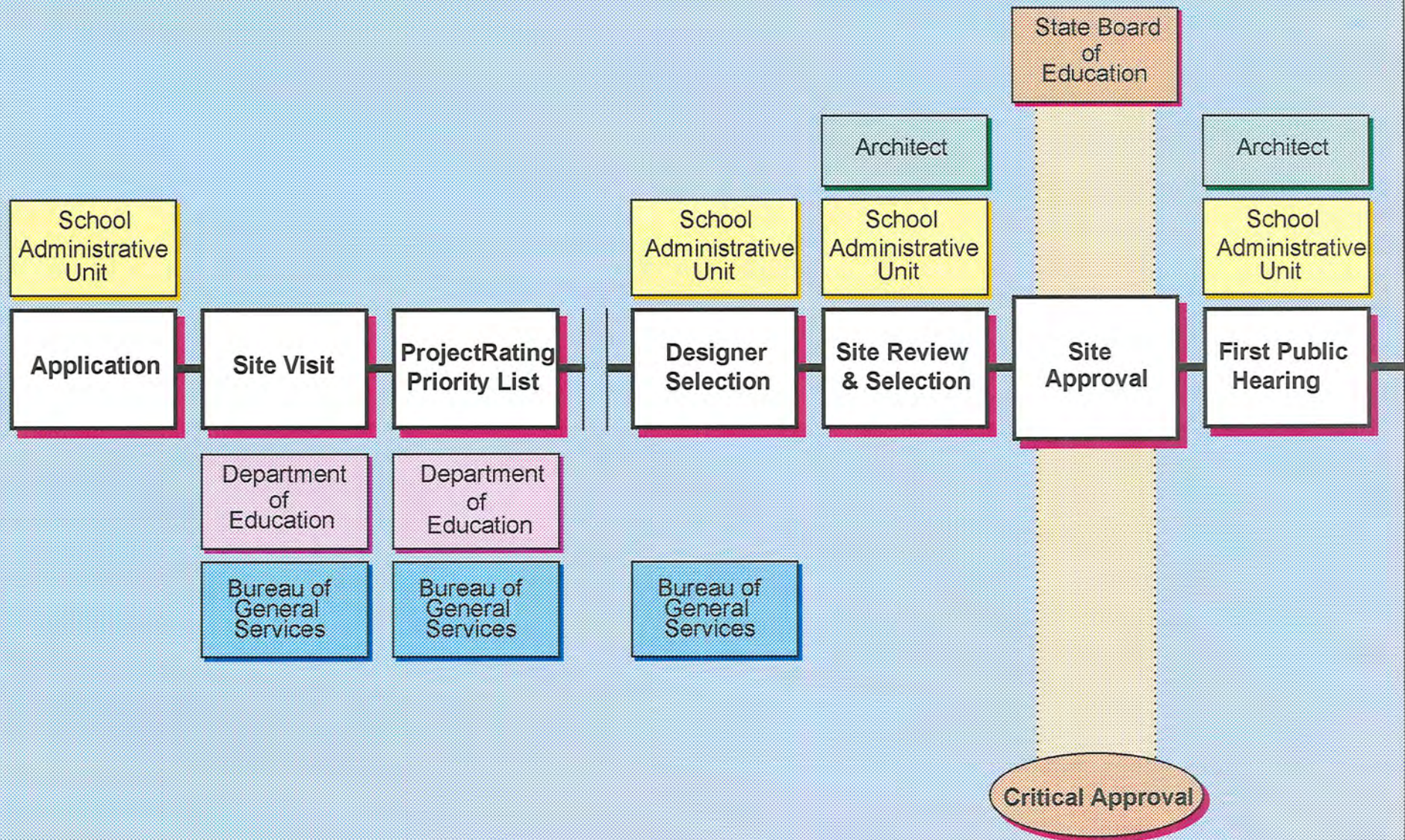
CONSTRUCTION

STATE BOARD OF EDUCATION

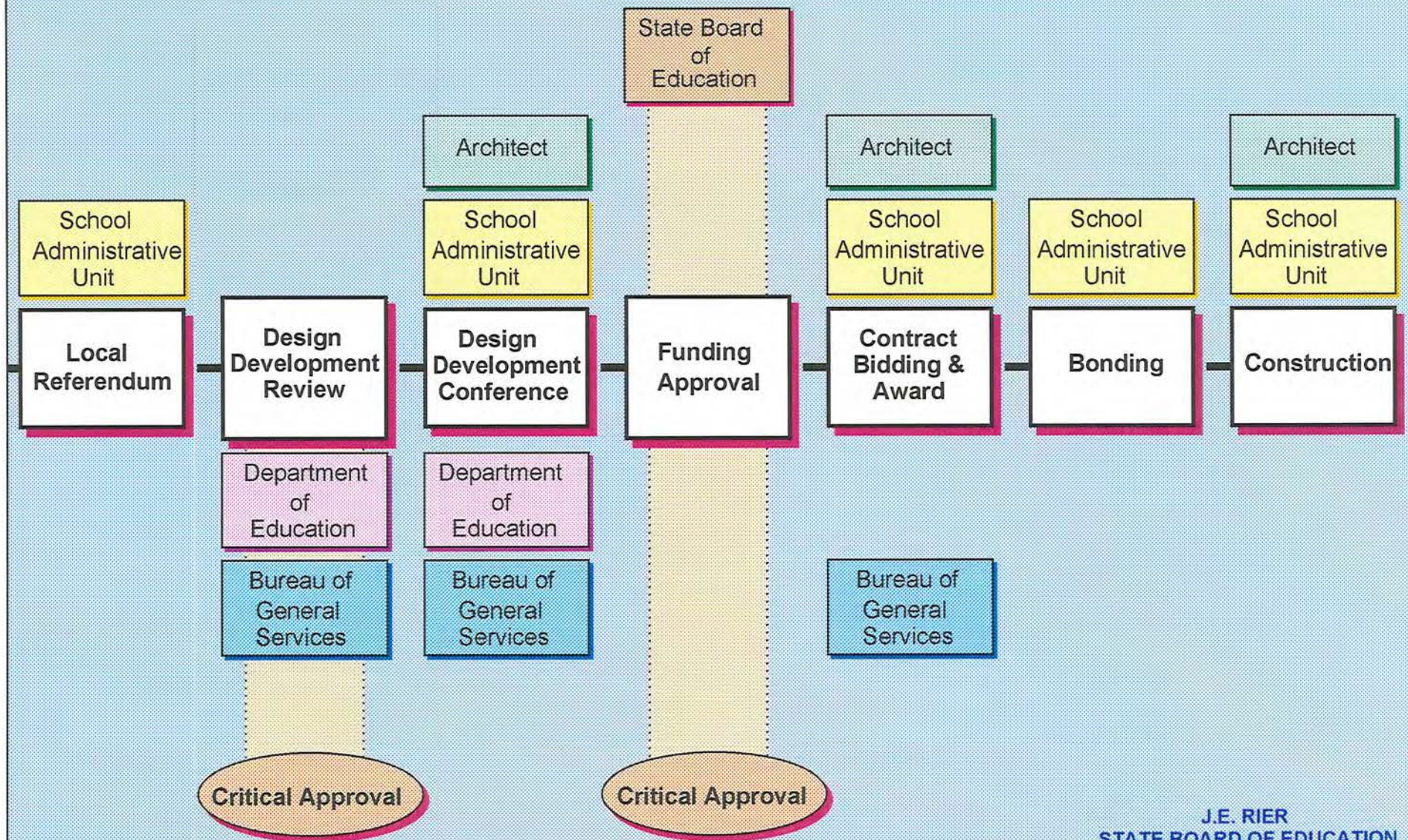
SCHOOL CONSTRUCTION STUDY GROUP



SCHOOL



PROCESS



STATE OF MAINE
STATE BOARD OF EDUCATION

RULES FOR SCHOOL
CONSTRUCTION PROJECTS

Prepared by:

Division of School Business Services
Maine State Department of Education
Augusta, ME 04333

November 1994

STATE BOARD OF EDUCATION
RULES FOR SCHOOL CONSTRUCTION PROJECTS

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05- DEPARTMENT OF EDUCATION

071 DIVISION OF SCHOOL BUSINESS SERVICES

Chapter 061 STATE BOARD OF EDUCATION, RULES FOR SCHOOL
CONSTRUCTION PROJECTS

Summary: These rules define the conditions under which the
State will subsidize school building construction
projects.

1. SCHOOL CONSTRUCTION APPROVAL PROCESSES

A. Projects Eligible for State Funding

All school construction projects involving state funds in the construction of new facilities, additions to existing buildings, or major alterations of existing buildings shall go through the following stages of approval in the order indicated:

- (1) Site Approval - In cases where the project involves site approval, the Board will consider requests for site approval no later than two regularly scheduled meetings prior to concept approval consideration. Each local unit requesting site approval must, as a minimum, have secured an option on said site and at least two appraisals as outlined in section 12.
- (2) Concept Approval - The State Board will consider applications for concept approval of regular projects at its July meeting and special projects at its January meeting. Replacement of leased space and emergency projects may be considered at any regularly scheduled meeting.
- (3) Approval of Local Voters - Each school construction project must gain a favorable local vote prior to requesting State Board funding approval.
- (4) Funding Approval - Projects may be submitted to the State Board for funding approval at any regular State Board monthly meeting.
- (5) Time Limitations - The following time limitations shall control:
 - a) Within five months after the date of State Board concept approval, a project must secure a favorable local vote. Projects not receiving a favorable vote within five months will not be reconsidered by the State Board

within a minimum of twelve months following the negative referendum except in an absolute emergency.

- b) Within nine months of a favorable local vote, a project shall be presented to the State Board of Education for funding approval.
- c) Within nine months after State Board funding approval, a construction contract shall be signed.

Any exception to the foregoing shall require prior State Board approval.

B. Locally Funded Projects

The Commissioner of Education now has the authority to approve locally funded projects. (20-A, MRS §15905-A).

C. Funding Limitations

A final approval granted to a school construction project will indicate that the project must be completed within the specified amount and a statement to that effect will be added to construction certificates.

D. Categories of School Construction Projects

- (1) Regular Project - A regular project is a school construction project with over 8,000 square feet in new construction which meets the educational program needs of the school. Costs necessary to bring a building into conformance with current mechanical and handicapped codes may be included in the project budget.
- (2) Special Project - A special project is any school construction project with a maximum of 8,000 square feet and meets the educational program needs of the school. Costs necessary to bring a building into conformance with current mechanical and handicapped codes may be included in the project budget.
- (3) Replacement of Leased Space Project - A replacement of leased space project is any school construction project which is limited to the construction of additions to existing buildings, and renovations caused by the addition, to eliminate the need for portable classrooms or other types of leased space to house educational programs. Any costs necessary to bring the building into conformance with existing codes or

any other type of remodeling of the structure will not be included in the project budget.

Classroom space means any space used or useful for instruction, including but not limited to classrooms and laboratories, library, guidance, multiple-use space, music, art, and small group instruction space. Also included are appropriate circulation and storage space which is needed as part of any school construction project.

In cases where it is documented that additional classroom space will be needed within the next five years, additional space may be approved by the State Board.

- (4) Emergency Project - An emergency project is any school construction project requiring the replacement of all or a significant portion of a school facility, resulting from an unanticipated and sudden natural or human disaster, and which is declared uninhabitable by a State or federal government agency or individual (i.e., the Fire Marshal's Office). An emergency project may include space determined to be needed to support the educational program of the school.

2. SCHOOL BUILDING CONSTRUCTION FLOW CHART

- A. Each unit developing a school construction project shall follow the procedures outlined on the chart on the following page.
- B. First public hearing (step 8). Purpose is to determine the desirability of the project. Hearing is required and a straw vote shall be taken and recorded.
- C. Prior to the concept conference (step 13) the unit shall provide the appropriate municipal officials (including planning boards) with a description of the proposed project.
- D. Second public hearing (step 14) is required and a straw vote shall be taken and recorded. This hearing shall be widely advertised through all available media and all information that is to be made available to the State Board at the concept level shall be presented to the public at this hearing. (See page 4 for chart).

School Building Construction Process

ACTIVITY	AGENCIES
1. Identification of Need ↓	1. SAU
2. Application ↓	2. SAU
3. Site Visit ↓	3. DOE
4. Project Rating ↓	4. DOE
5. Notify SAU of Recommendation ↓	5. DOE
6. Designer Selection ↓	6. SAU, BGS
7. Identify Possible Sites → → → (if applicable) ↓	7. SAU, Arch
8. First Public Hearing ↓	7A. DEP, DHS, ACE, DOT, Arch, SAU 8. SAU, Arch
9. Ed. Specs. and Space Allocation Workbook ↓	7B. SAU 9. SAU, Arch
10. Program Conference ↓	7C. SBE 10. DOE, BGS, SAU, Arch
11. Begin Concept Design ↓	11. SAU, Arch
12. Concept Review ↓	12. DEP, DHS, FMO, BGS, DOT, DOE, ACE
13. Concept Conference ← ← ← ↓	13. DOE, SAU, Arch, BGS
14. Second Public Hearing ↓	14. SAU, Arch
15. Concept Approval ↓	15. SBE
16. Local Referendum ↓	16. SAU
17. Design Development Review ↓	17. DOE, BGS, FMO, DHS, DOT, ACE, DEP
18. Design Development Conference ↓	18. DOE, Arch, BGS, SAU
19. Funding Approval ↓	19. SBE
20. Temporary Borrowing ↓	20. SAU
21. Contract Bidding & Award ↓	21. SAU, BGS, Arch
22. Bonding ↓	22. SAU
23. Construction ↓	23. SAU, Arch
24. Occupancy ↓	24. SAU, Arch
25. Project Audit	25. SAU, DOE

AGENCY RESPONSIBILITIES

School Administrative Unit (SAU):

- Conducts assessment of building needs [1]
- Completes application form [2]
- Advertises for, screens and selects the designer [6]
- Identifies and selects site for building [7,7A,7B,7C]
- Conducts two public hearings prior to concept approval [8,14]
- Completes the Educational Specifications and Space Allocations Workbook [9]
- Participates in the Program, Concept and Funding conferences [10,13,18]
- Arranges the local referendum after concept approval [16]
- Arranges for and manages short and long term borrowing/bonding [20,24]

Architect (Arch):

- Assists in the identification, review and selection of the site [7,7A,7B]
- Creates the project plans and specifications [12]
- Coordinates other agency review of the plans [12,17]
- Participates in two public hearings prior to concept approval [8,14]
- Participates in the Program, Concept and Funding conferences [10,13,18]
- Coordinates the construction process with the general contractor and owner [22]

Fire Marshal's Office (FMO):

- Reviews concept plans and specifications (safety and handicapped accessibility) [12]
- Reviews and approves final plans and specifications [17]

Bureau of General Services (BGS):

- Advises SAU in designer selection process [6]
- Reviews concept plans and specifications [12]
- Reviews and approves final plans and specifications [17]
- Approves payment requisitions and change orders [22]

Army Corps of Engineer (ACE):

- Reviews concept plans and specifications (site location and topography) [12]
- Reviews and approves final plans and specifications [17]

Department of Human Services (DHS):

- Reviews concept plans and specifications (drinking water and waste disposal) [12]
- Reviews and approves final plans and specifications [17]

State Board of Education (SBE):

- Grants Site, Concept and Funding Approval [7C,15,19]

Department of Environmental Protection (DEP):

- Reviews concept plans and specifications (site, water and waste disposal) [12]
- Reviews and approves final plans and specifications [17]

Department of Transportation (DOT):

- Reviews site plan for traffic entrance and exit conditions [12]
- Approves site plan for traffic entrance and exit conditions [17]

Department of Education (DOE):

- Reviews and rates project applications [3,4,5,]
- Reviews concept plans and specifications (educational program and space) [12]
- Reviews and approves final plans and specifications [17]
- Conducts Program, Concept and Funding conferences [10,13,18]
- Conducts interim and final project audits [24]

3. APPLICATION

A. General

Each administrative unit seeking State Board concept approval for a proposed school construction project shall submit a completed application form to the Division of School Business Services, Department of Education. Application forms are available at the Division of School Business Services office.

The application will include the results of a study of the availability and accessibility of space in adjacent school units and of other facilities within the applicant's school unit. The study must address issues such as the proximity of available space (if any), the compatibility of grade levels involved, and the potential impact on the educational program, student transportation, insurance, and other issues related to the use of facilities in adjacent school units.

B. Submission Deadlines

(1) Special Projects Only

Completed application forms must be submitted at least fifteen (15) months (October 15) prior to the January State Board meeting, in order to be eligible for consideration at that meeting.

(2) Regular Projects

Completed application forms must be submitted at least fifteen (15) months (April 15) prior to the July State Board meeting, in order to be eligible for consideration at that meeting.

(3) Replacement of Leased Space Projects

In order to be eligible for State Board consideration during any fiscal year, completed applications must be submitted no later than July 15th of that fiscal year.

(4) Emergency Projects

Projects necessitated by an emergency as defined in Section 1.D.(4) will be dealt with on a case by case basis, as deemed appropriate by the State Board.

4. SCHOOL BUILDING CONSTRUCTION - REGULAR PROJECTS

- A. The rating system set forth in paragraph D shall be used to rate each building construction project.
- B. The DOE staff will assign a point rating to each project following completion of the application form by the local unit and an on-site visit by the staff. The point rating will change only if:

- (1) Local conditions change, or
- (2) Required by a review committee's decision pursuant to §8

The unit is responsible for notifying DOE of any changes in local conditions which might warrant a change in a project's point rating. The unit must file a request for an administrative review with the Commissioner within 30 days following receipt of a project's point rating if the local unit wishes to appeal the point rating.

- C. The following steps shall be used by the Division of School Business Services staff to break ties which occur during the rating process for the purpose of placing the project on the Priority List (step 12 of Flow Chart).

- (1) The project with more points in priority #1 shall be placed first.
- (2) If a tie still exists, the project with more points in State Board priority #2 shall be placed first.
- (3) If a tie still exists, the project benefiting the larger number of students shall be placed first.

Tie-breaking points shall be added in increments of 0.1 point as required to reflect the results of the preceding procedures.

- D. The system is based on a total of 200 points for the State Board priorities as follows:

- (1) Buildings and grounds - 65 points total
 - a) Safety hazards - 35 points
 - b) Obsolete and/or unsuitable - 30 points

- (2) School population - 60 points total
 - a) Overcrowding - 40 points
 - b) Enrollment estimates & population shifts - 20 points
- (3) Program - 55 points total
 - a) Facilities to enhance - 35 points
 - b) Facilities for new programs - 20 points
- (4) Community use of facilities - 20 points total
 - a) Documented commitment to community use - 10 points
 - b) Documented use by community - 10 points

E. The Rating System: Criteria and Point Assignment

- (1) Priority - Buildings and Grounds (Total of 65 points)
 - a) Criteria - Safety Hazards (Total of 35 points)
 - Group 1: Building (maximum 30 points)
 - a. Multi-story, wooden, unsprinkled
 - b. Multi-story, wooden, sprinkled
 - c. Structural soundness
 - d. Combustible interior finish (e.g. walls, floors, etc.)
 - e. Access and egress (to include below grade classrooms)
 - f. Boiler room (unprotected, location)
 - g. Electrical systems (includes fire alarm)
 - h. Storage areas
 - i. Open stairwells
 - Group 2: Site (maximum 5 points).
 - a. Traffic
 - b. Sewage
 - c. Physical education and play
 - b) Criteria - Obsolete and/or Unsuitable (Total 30 points).
 - Group 1: Program Related Facility Deficiencies (maximum 22 points).
 - a. Special areas - non-instructional
 - b. Special areas - instructional

- c. Room sizes and arrangements unsuitable
- d. Building does not permit an effective school program
- e. Site factors (e.g. size, location, etc.)
- f. Handicapped accessibility
- g. Other

Group 2: Deficiencies Related to Mechanical and other Building Systems (maximum 8 points).

- a. Heating
- b. Ventilation
- c. Plumbing
- d. Electrical

(2) Priority - School Population (Total of 60 points).

a) Criteria - Overcrowding (Total of 40 points)

Group 1: Instructional Areas (maximum 20 points)

- a. General classroom areas
 - Elementary - over 25 pupils
 - Kindergarten - less than 40 sq. ft. per pupil
 - Elementary & secondary - less than 25 sq. ft. per pupil
- b. Secondary - more than 85% space utilization
- c. Special areas - limited or lacking
- d. Other

Group 2: Program Scheduling (maximum 20 points)

- a. Double sessions
- b. Extended school day
- c. Pupil release because of overcrowdedness
- d. Classes scheduled in unsuitable area
- e. Scheduling in temporary facilities due to overcrowdedness
- f. Other

- b) Criteria - Enrollment Estimates and Population Shifts (Total of 20 points)
 - Group 1: Enrollment Estimates (maximum 12 points)
 - a. Estimates based on enrollment projections
 - Group 2: Population Shifts & Other (maximum 8 points)
 - a. Unusual industrial, public or private housing growth which would result in enrollment increases over enrollment projections.
 - b. Other
- (3) Priority - Program (Total of 55 points)
 - a) Criteria - Facilities to enhance (maximum 40 points)

Existing programs are expanded and/or improved as a result of the project.
 - b) Criteria - Facilities for new programs (maximum 20 points)

Project provides for programs which cannot be conducted in present facilities.
- (4) Priority - Community use of facilities (Total of 20 points)
 - a) Documented commitment to community use - 10 points
 - 1. Local board policy - up to 4 points
 - 2. Assigned responsibility for scheduling and supervision - up to 4 points
 - 3. Year round accessibility - up to 2 points
 - b) Documented use by community - 10 points
 - 1. Regularly scheduled use by community organizations, civic groups, business/industry, individuals - up to 5 points
 - 2. Use on request by community organizations, civic groups, business/industry, individuals - up to 5 points

5. SCHOOL BUILDING CONSTRUCTION - SPECIAL PROJECTS

A. General

- (1) All statutes and State Board Rules applicable to regular projects shall also apply to the special projects program.
- (2) Special projects proposals shall be rated under a separate rating system.
- (3) The special projects program shall be limited to regular school construction projects.
- (4) Approximately 10 percent of the annual State Board approval level of funding may be reserved for special projects.
- (5) Special projects proposals shall be considered by the State Board at the regular January meeting only.
- (6) Renovations included in special projects shall be limited to those necessitated by the project itself excepting a complete restoration in lieu of new construction.

B. School Project Rating System - Special Projects

- (1) The rating system set forth in sub-§D below shall be used to rate each special school construction project.
- (2) The rating, review and tie breaking procedures set forth in §4, sub-§B & §C, shall apply to special projects.
- (3) The rating system, based on a total of 200 points for special projects, is as follows:
 - a) Need for facilities to eliminate safety hazards (70 pts.)
 - b) Need for additions to facility (63 pts.)
 - c) Need for facilities to eliminate overcrowding (52 pts.)
 - d) Community use of facility (15 pts.)

C. The Rating System: Criteria and Point Assignments

- (1) Priority - Safety hazards (total 70 points).
 - a) Building (maximum 60 points)
 1. Access-egress
 2. Structural soundness
 3. Combustibility

- b) Grounds (maximum 10 points)
 - 1. Playground
 - 2. Traffic
 - 3. Sewage
- (2) Priority - Additions to facility (total 63 points)
 - a) Multi-purpose room
 - b) Library
 - c) Special education space
 - d) Special program areas (science, art, music etc.)
 - e) Kitchen
 - f) Administration (clinic, office, teachers' room, etc.)
 - g) Handicapped accessibility
 - h) Classrooms, specialists, itinerant space.
- (3) Priority - Overcrowding (total 52 points)
 - a) General classroom area
 - Elementary - over 25 pupils
 - Kindergarten - less than 40 sq. ft. per pupil
 - Elementary & secondary - less than 25 sq. ft. per pupil
 - b) Secondary - more than 85 percent space utilization
 - c) Scheduling in temporary facilities
 - d) Other
- (4) Priority - Community use of facilities - (total 15 points)
 - a) Documented commitment to community use - 8 points
 - 1. Local board policy - up to 3 points
 - 2. Assigned responsibility for scheduling and supervision - up to 3 points
 - 3. Year round accessibility - up to 2 points
 - b) Documented use by community - 7 points
 - 1. Regularly scheduled use by community organizations, civic groups, business/industry, individuals - up to 5 points
 - 2. Use on request by community organizations, civic groups, business/industry, individuals - up to 2 points

6. SCHOOL BUILDING CONSTRUCTION - REPLACEMENT OF LEASED SPACE PROJECTS

A. General

- (1) All statutes and State Board rules applicable to regular projects shall also apply to the replacement of leased space program.
- (2) Replacement of leased space projects shall be rated under a separate rating system.
- (3) Approximately 10 percent of the annual State Board approval of funding may be reserved for replacement of leased space projects.
- (4) Replacement of leased space projects may be considered for concept approval at any regularly scheduled State Board monthly meeting within the fiscal year in which the application is made.

B. School Project Rating System - Replacement of Leased Space Projects

- (1) The rating system set forth in sub-§D below shall be used to rate each replacement of leased space project.
- (2) The rating, review and tie breaking procedures set forth in §4, sub-§B & C, shall apply to replacement of leased space projects.
- (3) The rating system priorities based on a total of 200 points for replacement of leased space projects, is as follows:
 - a) Number of leased spaces to be replaced (maximum 80 points).
 - b) Age of building (maximum 65 points).
 - c) Enrollment estimates (maximum 55 points).

C. The Rating System: Criteria and Point Assignments

- (1) Priority - number of leased spaces to be replaced (maximum 80 points).
 - a) Portable classrooms - 10 points each
 - b) Off-site leased spaces
 1. Regular classrooms - 8 points each
 2. Small group rooms (200-500 sq. ft. each) - 4 points each
 3. Tutorial space (under 200 sq. ft.) - 2 points each
 4. Other - up to 4 points

(2) Priority - Age of building (65 points)*

- a) 1-7 years old (65 points)
- b) 8-15 years old (45 points)
- c) 16 and over years old (35 points)

* Age is determined by latest addition (if any).

- (3) Priority: Enrollment estimates (maximum 55 points). Estimates based on cohort survival projections for up to five (5) years, modified, if or as appropriate.

7. SPECIAL PRIORITY LISTS

The State Board may establish special priority lists, each of which may include up to four (4) regular school construction projects, for concept approval at the July State Board meetings and up to four (4) special projects for approval at January State Board meetings. Projects on the special priority lists prior to the effective date of this rule shall remain on the lists until considered for concept approval by the State Board.

- A. Selection. Projects placed on a special priority list will be chosen by the State Board from the Priority List (step 12-Flow Chart) and be assigned places on this list in the same order as they appear on the Priority List. Once on a special priority list, a project will move up the list after projects ahead of it have received concept approval consideration, regardless of the project's comparative rating to other projects on the list. Projects on the Special Priority List will be reappraised each year with information supplied by the school administrative unit.
- B. Concept Consideration. Only the top two (2) special priority list projects will be eligible to be placed ahead of newer, higher rated projects for concept approval consideration by the State Board at a July or January meeting. Each project on the special priority list may be considered for concept approval on the basis of their point ratings.
- C. Two Year Rule. A project placed on a special priority list will be given consideration for concept approval at either a July or January meeting, as appropriate, within two calendar years from having been placed on the list unless:
 - (1) The Legislature does not provide adequate funding authorization or otherwise reduces the State Board's authority to grant concept approval;

- (2) There is insufficient funding approval authority in a given fiscal year;
- (3) There are emergency projects, as defined in Section 1. D. 4., which have to be considered ahead of all projects; or,
- (4) There are unforeseen circumstances over which the State Board has no control.

If special priority list projects are not considered for concept approval within two (2) calendar years because of one or more of the reasons set forth in subsection C., paragraphs 1-4, than those projects will remain on the special priority list for consideration at the next July or January meeting as appropriate.

8. ADMINISTRATIVE REVIEW

Procedures for resolving disputes involving school construction shall be as follows:

- A. A review committee consisting of the Commissioner or the Commissioner's designee and two members of staff outside the Division of School Business Services will review issues raised by the unit and presented by the unit at an informal hearing. A request for an administrative review shall be made within 30 days of receipt of an unfavorable decision by the Division of School Business Services.
- B. Notification of the review committee's findings of fact and decisions shall be made within sixty (60) days of receipt of the request for an administrative review.
- C. The review committee's findings of fact and decision will constitute final agency action.

9. COMMUNITY USE OF SCHOOL FACILITIES AND PERCENT FOR ART

- A. Schools have always been community meeting places of local interest. The State of Maine has a very substantial investment in school buildings. In order to ensure the widest possible use of the school facilities, it is the policy of the State Board to strongly encourage the public use of school facilities insofar as that use complies with the law and is compatible with regular school use.
- B. The State Board of Education encourages local units to consider the inclusion of desirable community

facilities such as libraries, community health care, child care services, swimming pools and other facilities under the provisions of 20-A MRSA, chapter 609. The State Board, however, cannot approve the use of state school construction funds for these purposes.

- C. This rule is not intended to reduce or remove the local school committee's or board of directors' control over the use of buildings nor that reasonable fees should not be charged nor that adequate provision not be made for supervision and control; rather the intent is to encourage local responsibility and responsiveness in managing this important community resource.
- D. The State Board of Education encourages the inclusion of works of art as provided in the Percent For Art Statute. Up to one percent of the construction cost or \$40,000, whichever is smaller, may be included in the project budget.

10. WORKBOOK - EDUCATIONAL SPECIFICATIONS & SPACE ALLOCATIONS - THEIR PREPARATION AND APPLICATION

Each local unit developing a school building construction project shall provide the following information to DOE.

A. Educational Specifications

- (1) Definition - They are the means by which a school system describes the educational goals, activities, their interrelationships, and associated spaces which need to be provided in a proposed new or renovated school facility.
- (2) Necessity - They provide a document of the results of the planning phase for a given project which will serve as a guide from which a designer can plan an educational facility which will accommodate the needs of the proposed education program.
- (3) Preparation - The school system should draw upon the talents of many including administrators, the school staff, citizens, educational consultants (both state and local), etc., to assist in the preparation of education specifications.

- (4) Contents - The educational specifications should reflect the results of the planning phase included in the application process and should include the following items:
- a) The manner in which the project supports the implementation of national and state educational goals;
 - b) The instructional and non-instructional activities which will be housed in the proposed facility;
 - c) The number, grouping and nature of the people involved, including staff and support personnel;
 - d) The spatial relationship between the facility and the site;
 - e) The interrelationship of instructional programs with each other and with non-instructional facilities;
 - f) The major items of furniture and equipment which need special consideration;
 - g) Any special environmental and/or technological provisions which would improve the learning environment and promote staff efficiency;
 - h) Future needs and flexibility requirements;
 - i) Plans for community, etc. use of facilities.
- (5) Educational Specifications Format - A format for the educational specifications is available from the Division of School Business Services.

B. Space Allocation Workbook

- (1) Purpose - The purpose of the space allocation workbook is to:
- a) Provide guidance in early planning for school facilities to local educators, school committees and building committees.
 - b) Attempt to avoid "overbuilding" on school building projects.
 - c) Provide early basic data to designers, the Bureau of General Services, and DOE.
 - d) Provide an early mechanism to arrive at tentative total space requirements.
 - e) Arrive at a rough first cost estimate for planning purposes.
- (2) Space Allocation Workbook - The Space Allocation Workbook is periodically reviewed by the Division of School Business Services and adopted by the State Board of Education. Copies of the Space Allocation Workbook are available from the Division of School Business Services.

C. Facility Maintenance Plan

Each local unit developing a school construction project shall provide the Department of Education with a facility maintenance plan before funding approval by the State Board of Education. The facility maintenance plan shall contain life cycle costing for at least the following:

1. Mechanical systems, including heating and ventilation;
2. plumbing systems, including fixtures and water/sewage;
3. Electrical systems, including lighting, fixtures, alarms, electrical control and distribution;
4. Telecommunication systems, including telephone, intercom and computers;
5. Envelope of the building, including roof, exterior walls, doors and windows;
6. Interior floor surfaces and wall finishes; and
7. Buildings and grounds, including paving, play areas and athletic fields.

11. SITE SIZE

A. Maximum Size

- (1) Maximum site size for elementary schools is defined as 20 acres plus one (1) acre for each 100 students.
- (2) Maximum site size for secondary schools is defined as 30 acres plus one (1) acre for each 100 students.
- (3) Maximum site size for middle schools (any combination of two (2) or more grades 4-9) is 25 acres plus one (1) acre for each 100 students.

B. Minimum Size

- (1) Minimum site size for elementary schools is defined as five (5) usable acres plus one (1) usable acre for each 100 students.
- (2) Minimum site size for secondary schools is defined as 15 usable acres plus one (1) usable acre for each 100 students.
- (3) Minimum site size for middle schools is 10 usable acres plus one (1) usable acre for each 100 students.

C. Exceptions

School building sites which exceed the allowable maximum size, if approved, shall carry the following stipulation: "No portion of this site may be sold or leased for other than school purposes without approval of the conditions of such sale or lease by the State Board." This stipulation shall be a part of the certificates of approval and the deed.

School building sites which are below the minimum size will be considered by the State Board only in cases where the local unit can demonstrate that all programs can be accommodated and no viable alternative exists.

Minimum site size requirements may be met by adding together the acreage of non-contiguous parcels of land when those parcels support the educational programs of the school.

D. Fiscal Responsibility

The cost of land acquired for a school building construction project in excess of the maximum site sizes recorded above shall be entirely at local school administrative unit expense and shall not be eligible for State subsidy. Subsidy may be claimed on the maximum site size at a pro rated per acre price at the time of purchase when a future construction project is approved.

E. Compliance with Title 30-A M.R.S.A., Chapter 187, subchapter II

The selection of sites for new school facilities shall be in compliance with the provision of Title 30-A M.R.S.A., Chapter 187, subchapter II, and any local ordinances governing the location of school buildings. Title 30-A M.R.S.A., Chapter 187, subchapter II, also known as the Municipal Growth Management Law, includes provisions for municipal development and administration of local comprehensive plans. Applications for school construction projects shall include reference to and assurance of compliance with local comprehensive plans where they exist.

12. SCHOOL SITE APPROVAL

A. Appraised Value

Applications for approval of school building sites must be accompanied by an option to purchase the land and two certified appraisals. The average of these two

appraisals is defined by the State Board as the appraised value. If the lower of the two appraisals varies from the higher by more than 25 percent, a third appraisal must be secured and the average of the three appraisals will become the appraised value.

B. Cost Limitation

The appraised value of school building sites shall be the maximum amount eligible to be included in the state funding of school construction projects.

C. Exception

If in the judgment of the State Board, extenuating circumstances exist, then the limitation in paragraph B may be waived by the State Board.

13. FINANCING SCHOOL CONSTRUCTION

Accurate record keeping will be maintained of all accounting activities, such as, cash receipts, expenditures, short-term borrowing and investments of bond proceeds, particularly the dates and rate of interest, etc.

A. State Funds

DOE shall include the appropriate amount of debt service principal and interest in a school administrative unit's debt service allocation only when a long term bond redemption schedule requires payment.

B. Filing of the EF-B-55 Form

An EF-B-55 form to be supplied by DOE shall be filed within six (6) months of initial occupancy of a completed building. Additional time may be granted by the Commissioner if it is judged that extenuating circumstances exist.

C. Temporary Borrowing

Temporary borrowing prior to the issuance of bonds shall be accomplished as follows:

- (1) On a written, competitive basis, or a method approved in writing by the Commissioner.
- (2) An administrative unit may borrow up to the estimated amount necessary to finance the project until bonds are sold with the understanding that unused note proceeds must be kept invested in accordance with ¶13-D.

D. Investment of Project Funds

- (1) Unused portions of note proceeds, bond proceeds, initial state share, and any interest earned thereon, shall be kept invested at all times in:
 - a. bonds or other obligations of the United States or the bonds or obligations of or participation certificates issued by any agency, association, authority or instrumentality created by the United States Congress or any executive order;
 - b. bonds or other obligations issued or guaranteed by the State of Maine or by any instrumentality or agency of the State or any political subdivision of the State which is not in default on any of its outstanding funded obligations;
 - c. accounts or deposits with financial institutions, the deposits of which are insured by the FDIC, the BIF, the National Credit Union Share Insurance Fund or any successor agencies and which otherwise comply with 30-A M.R.S.A. §5706(1);
 - d. repurchase agreements secured by obligations of the United States Government, provided that the market value of the underlying obligations are equal to or greater than the amount of the school administrative unit's investment and the school administrative unit has a properly perfected security interest in the underlying governmental obligations and such other investments, consistent with 30-A M.R.S.A. §§5706-5716, as the Commissioner may approve from time to time.
- (2) The difference between the interest income from investment of project funds and interest cost of temporary borrowing shall be determined at the time of the final audit of the EF-B-55 by DOE.

School administrative units are required to calculate the amount of arbitrage rebate, or penalty in lieu thereof, that is currently due, or estimated to be due, to the Internal Revenue Service, attributable to the investment of project funds, on or before the time of the final audit of the EF-B-55 by DOE. When a school administrative unit selects the two-year expenditure exception to rebate option, the amount of interest reinvested in the construction project will be deducted from the amount of project costs to be subsidized.

- a) School administrative units are required to return the interest income earned from investment of project funds (i.e., bond proceeds, note proceeds, loans received for start-up costs, etc.), in excess of the interest costs of temporary borrowing, to the Department of Education, in accordance with Paragraph G, Project Audits, except when the two-year expenditure exception to rebate option has been selected (see (2) above). Interest earned on project funds held in a school administrative unit's bank account(s) shall be returned to the Department of Education. When State and local funds are commingled in one bank account, a cash flow analysis will be done to determine the state's share of the interest. The state's share of interest shall be returned to the state in accordance with Paragraph G, Project Audits. It is recommended, however, that project funds not be commingled.
 - b) In the event the interest cost of temporary borrowing exceeds the interest income, a detailed accounting of investments and costs shall be submitted to DOE. The net interest cost of temporary borrowing may be included in the administrative unit's state/local allocation as a debt service cost upon approval of the Commissioner.
- (3) Interest earned, if any, as a result of the investment of insurance proceeds and gifts or federal funds available to the project, may be retained by the local unit and used for school purposes only. Interest earned between the time of audit and payment of the final settlement to the Department of Education may be retained by the school administrative unit and used for school purposes only. Interest will be charged in cases where delayed or staggered payments are made beyond the time specified in the final audit report.

E. Overbonding

In the event the bond sale amount exceeds the actual final costs of a project, the difference will be handled in the manner set forth in paragraph D(2) (a).

F. Budget Overruns

Costs in excess of the total amount approved by the State Board shall not be included in the school construction project costs.

G. Project Audits

- (1) The Department of Education may conduct interim audits of uncompleted school construction projects in order to determine the interest earned on the investment of bond and note proceeds, in excess of the interest costs of temporary borrowing, due the State as of the date of the audit. The amount determined, as partial settlement, shall be submitted to the Division of Finance, Department of Education, made payable to the Treasurer of the State of Maine, and indicate the payment is in partial settlement of the uncompleted school construction project.
- (2) All school construction projects final financial reports (Form EF-B-55) will be subject to audit by DOE before a final settlement is established. The amount of the final settlement, if any, will be submitted to the Division of Finance, DOE. The check should be made payable to the Treasurer of the State of Maine and indicate the payment is in final settlement of the school construction project.

14. BONDING OF SCHOOL CONSTRUCTION PROJECTS

- A. The Commissioner shall be guided by the following table in determining the length of school construction bonding issues:

- (1) Bond issues of \$750,000 and under - 5 years
- (2) Bond issues of \$750,001 to \$1,500,000 - 10 years
- (3) Bond issues of \$1,500,001 to \$2,500,000 - 15 years
- (4) Bond issues in excess of \$2,500,000 - 20 years

B. Sale of Bonds

- (1) The sale of bonds shall be accomplished consistent with §14 as soon as practicable.
- (2) Proceeds of the bond sale shall be used immediately to pay short-term principal and interest costs.
- (3) If the amount of the bonds sold is less than the amount to be bonded as established in 20-A MRSA §15909 sub-§2, ¶A, the difference of up to \$5,000 may be taken from earned interest.

- C. Each certificate of funding approval shall specify the length of the bonding period.

- D. Each unit shall obtain prior written approval of the Commissioner or designee, as to when bonds may be sold. All notices of bond sale must contain the following stipulation: Interest Rates. Bidders must state in a multiple of one-eighth ($1/8$) or one twentieth ($1/20$) of one percentum (1%) the rate or rates of interest per annum which the several maturities of the bonds are to bear. No interest rate named for any given maturity of a bond may be lower than any interest rate named for any prior maturity of a bond. The interest on any one bond shall be at one rate only and no rate of interest for a single maturity of the bonds may exceed the rate of interest for any other maturity of the bonds by more than 4% per annum. All bonds maturing in any one year must carry the same interest rate and each interest period shall be represented by one interest rate. Bids which include split or supplemental interest rates will not be considered.

It is further stipulated that the principal paydown of the respective loan be structured in a manner that the principal repayments are level to the extent that such structure complies with industry standards (e.g. many issues may require maturities to be structured in annual amounts divisible in increments of \$5,000).

- E. It is stipulated that for bonds sold during the first half of the fiscal period (i.e. last six calendar months) have respective first interest payments in the second half of the fiscal period (i.e. first six calendar months of the next calendar year) with principal and interest repayments to commence in the following fiscal year's first half (i.e. the last six calendar months of the next year), with subsequent interest and principal repayments to follow each six months and twelve months respectively, until bonds mature; that bonds sold during the second half of the fiscal period (i.e. first six calendar months) have respective first interest payments in the first half of the following fiscal period (i.e. second six calendar months of that calendar year), with the following interest payment to be made in the subsequent second half of the fiscal period (i.e. the first six calendar months of the following calendar year), with principal and interest payments to commence in the next following fiscal year's first half (i.e. the last six calendar months of the following calendar year), with subsequent interest and principal repayments to follow each six months and twelve months respectively, until bonds mature.

15. SURPLUS PROJECT FUNDS AND USE OF BUDGET CONTINGENCY

A. Budget Reductions

When it is determined by the Commissioner, following the opening of school construction bids, that there are surplus funds contained in a project budget, the State Board directs DOE, with the advice of the Bureau of General Services, to initiate a process to lower the approved budget to the appropriate funding level, thus, providing additional funds for other projects awaiting concept approval.

The Commissioner may restore part or all of these surplus funds if exigent circumstances establishes the need for additional funds.

B. Board Approval of Contingency Usage

The State Board also wishes to state that the contingency item of each construction budget is a State Board contingency and may be committed only with the approval of DOE.

16. VOCATIONAL CONSTRUCTION PROJECTS

A. Vocational construction projects shall be rated according to the system set forth in paragraph B.

B. Vocational Rating System

1. Priority - Need for space (in terms of numbers of students and manpower needs). (Total of 40 points).

Criteria:

- a) Number of youths (grades 11 & 12 - ages 15-21) interest and able to benefit. - 10 points
- b) Number of youths (grade 11 & 12 - ages 15-21) unemployed in region. - 10 points
- c) Employment needs of local area - geographic area - state. - 10 points
- d) Projected enrollments. - 10 points

2. Priority - Quality of present facilities. (total of 40 points)

Criteria:

- a) Unsafe buildings and grounds. (total of 20 points)

Group 1. (7 points)

- a. Multi-story, wooden frame, unsprinkled buildings
- b. Multi-story, wooden frame, sprinkled buildings
- c. Structural soundness
- d. Open stairwells

Group 2. (6 points)

- a. Traffic hazards
- b. Sewage (inside and/or outside)
- c. Entrance and delivery access

Group 3. (7 points)

- a. Access & egress (including rescue windows)
- b. Unprotected boiler room
- c. Hazardous storage areas
- d. Below-grade classroom

- b) Unsuitable buildings and grounds: (total of 20 points)

- 1. Vocational areas missing or of inadequate size
- 2. Extend school day
- 3. Geographic location not conducive to regional student participation
- 4. Special areas unsuitable or lacking
- 5. Sanitary facilities inadequate
- 6. Room sizes and arrangements unsuitable (horizontal and/or vertical)
- 7. Mechanical systems
- 8. Shape factor
- 9. Existing building does not permit an effective program
- 10. Space provided on a day-to-day basis (temporary housing)
- 11. Handicapped accessibility

3. Priority - Program (total of 14 points)

Criteria:

- a) Programs enhanced by proposed construction (7 points)
- b) New programs made possible by proposed construction (7 points)

4. Priority - Project Planning (total of 6 points)

Criteria:

- a) Project meets area needs (2 points)
- b) Project is effectively planned (2 points)
- c) Project incorporates good long-range planning in terms of future students' interests and benefits and meeting future manpower needs (2 points)

C. It is intended that one vocational construction project will be approved each fiscal year.*

* Flexibility is intended in this sequence. It is understood that for numerous reasons, it may be necessary or desirable to fund two or more or possibly no vocational projects in a given year.

D. Educational Specifications (Vocational)

The Phase II proposal as approved by the State Board shall constitute the educational specifications for vocational construction projects.

E. Space Allocations

The Space Allocation Workbook is periodically reviewed by the Division of School Business Services and adopted by the State Board of Education. Copies of the Space Allocation Workbook are available from the Division of School Business Services.

17. Movable Equipment

A. Definition

Movable equipment is defined as equipment for the school construction project which supports the educational program described in the Educational

Specifications, which is purchased separate from the general construction contract. In general, equipment is identified by its expected life of use (at least five years) and extraordinary cost (usually more than \$500). Movable equipment costs will generally constitute 6-8% of the construction costs in a project budget.

B. Submission of Movable Equipment List

A movable equipment list shall be submitted to the Division of School Business Services prior to the signing of a construction contract.

C. Approval of Movable Equipment Lists

No movable equipment may be purchased with project funds which are not included in the list submitted to and approved by the Division of School Business Services. Any use of contingency funds to purchase movable equipment must be approved by the Division of School Business Services.

The Maine Department of Education insures equal employment, equal educational opportunities, affirmative action regardless of race, sex, color, national origin, religion, marital status, age, or handicap.

State of Maine
DEPARTMENT OF EDUCATION

Regular Project Rating Form

Project _____
School Unit _____

Date of Filing _____
Date of Rating _____

RATING [_____]

**A. PRIORITY
HOUSING AND GROUNDS (65)**

Unsafe (35)

**Group 1
Buildings (30)**

- a. Multi, wood, unsprkd. [10] _____
- b. Multi, wood, sprkd. [8] _____
- c. Structure [6] _____
- d. Combustible [4] _____
- e. Access, egress [2] _____
- f. Boiler room [2] _____
- g. Electrical [2] _____
- h. Storage [2] _____
- i. Stairwells [2] _____

**Group 2
Site (5)**

- a. Traffic [2] _____
- b. Sewage [2] _____
- c. Phys. ed./play [1] _____

Obsolete and/or Unsuitable (30)

**Group 1
Program Related
Facility Deficiencies (22)**

- a. Spec. areas: non-instr. [4] _____
- b. Spec. areas: instr. [4] _____
- c. Room sizes/arrang. [4] _____
- d. Effective program [4] _____
- e. Site size, location [3] _____
- f. Handicapped acc. [3] _____
- g. Other [2] _____

**Group 2
Deficiencies Related to
Mechanical and Other
Building Systems (8)**

- a. Heating [2] _____
- b. Ventilation [2] _____
- c. Plumbing [2] _____
- d. Electrical [2] _____

**B. PRIORITY
SCHOOL POPULATION (55)**

Overcrowding (35)

**Group 1
Instructional Areas (20)**

- a. Gen. class areas [8] _____
- b. Secondary over 85% use [6] _____
- c. Spec. areas: ltd./lack. [6] _____
- d. Other [2] _____

**Group 2
Program Scheduling (15)**

- a. Double sessions [8] _____
- b. Extended school day [8] _____
- c. Student release; overcr. [6] _____
- d. Classes in unsuit. areas [10] _____
- e. Temp. Fac.: overcr. [10] _____
- f. Other [4] _____

_____ - does not include portable
_____ - # pts. for each classroom

Enrollment Estimates/Projections (20)

**Group 1
Estimates (12)**

- a. Based on Projections [12] _____

_____ - 1 pt for each
3% increase

**Group 2
Shifts (8)**

- a. Unusual changes [8] _____
- b. Other [4] _____

**C. PRIORITY
PROGRAM AND PLANNING (40)**

- a. Facilities to enhance [20] _____
- b. Facilities for new prog. [20] _____

K	Computer	Other
Gen. Ed.	Health	
Science	Library	
Art	Speech/OT/PT	
Music	- Guidance (1)	
Spec. Ed	- Admin (1)	
Gen. Ed.	- Hot Lunch (1)	
Chap. 1	- Clinic (1)	
Phys. Ed	- Languages	
IA/H.E.	Fine Arts	

**D. PRIORITY
COMMUNITY USE (15)**

Documented Commitment (8)

- a. Policy [3] _____
- b. Assigned responsibility [3] _____
- c. Year round access. [2] _____

Documented Use (7)

- a. Scheduled use [5] _____
- b. Use on request [2] _____

SPECIAL PROJECT RATING FORM

Unit Name _____

School Name _____

Title of Project _____

Location _____

Date of Application _____

Date of Rating _____

Priority 1	Priority 2	Priority 3	Priority 4
Safety (70)	Additions to facility (63)	Overcrowding (52)	Community Use (15)
a) Building (60)	a) Multi-purpose room (16) _____	a) Gen. Clsrm (20) _____ K=< 40 s.f. ele.=>25/room el & sec=<25psf	a) Documented commitment (8)
1. Access/egress (20) _____	b) Library (8) _____	b) Sec.=>85% (10) _____	1. Board pol. (3) _____
2. Structural sound. (20) _____	c) Spec. Ed. (8) _____	c) Temp. fac. (15) _____	2. Assigned sup./sch. (3) _____
3. Combustibility (20) _____	d) Spec. Prog. (5) (sci. mus. art) _____	d) Other (7) _____	3. Year round (2) _____
b) Grounds (10)	e) Kitchen (4) _____		b) Doc'ted use (7)
1. Playground (3) _____	f) Admin. (3) _____		1. Reg. use (5) _____
2. Traffic (4) _____	g) Handicapped access. (5) _____		2. Reg. use (2) _____
3. Sewage (3) _____	h) Classrooms, spec., itin. (4) _____		
Total Priority 1 _____	Total Priority 2 _____	Total Priority 3 _____	Total Priority 3 _____

TOTAL RATING _____

Department of Education
Division of School Facilities
Replacement of Leased Space
Rating Sheet

School System _____ Date of Filing _____

Project _____ Date of Rating _____

Group I

Leased Spaces (Max 80 points)

Portables (10 points each) _____

Regular classroom (8 points each) _____

Small group rooms - up to
200 sq. ft. (2 points each) _____

Small group rooms - over
200 sq. ft. (4 points each) _____

Group I Total _____

Group II

Age of Building (Max 65 points)

One to seven years (65 points) _____

Eight to fifteen years (45 points) _____

Sixteen years and over (35 points) _____

Group II Total _____

Group III

Enrollment Estimates (Max 55 points)

Five year average percent increase x 4 points _____

Total Rating _____



School Building Assistance Act

Fact Sheet

The School Building Assistance Act is designed to help communities undertake important school building projects by having the state assume a significant portion of all costs associated with the construction of new buildings and the renovation of (or major additions to) existing buildings.

There are 3 categories for reimbursement under the School Building Assistance Act.

Category 1	Category 2	Category 3
Districts that are seeking reimbursement to correct a racial imbalance in a school or schools fall under this category. Money appropriated for category 1 may be used only for category 1 and may not be used for categories 2 and 3. Reimbursement to school districts under category 1 is guaranteed at 90% of total project costs.	Districts that are seeking reimbursement to add on to an existing building or to build a new building because they need space for students or "to provide full range of educational programs and to maintain full accreditation."	Districts that are seeking reimbursement for "other projects to meet significant facilities needs."
Money appropriated for categories 2 and 3 is provided to category 2 first and to category 3 only after approved projects in category 2 have all been funded.		

The Application Process:

School districts must apply under one of the above categories. There are several steps that a school district must complete before an application can be submitted. Technical assistance is available from the Department of Education's School Governance staff (currently consisting of only 2 people) throughout the process of preparing an application. Applications for each fiscal year must be submitted by June 1 of the preceding fiscal year.

Once all the applications are submitted, projects are prioritized within each category according to need. As categories 2 and 3 are funded from the same pot of money, all of the projects in category 2 are prioritized before all of the projects in category 3. A district's need is determined using a formula developed by the State Board of Education and the State Legislature. Each district submits a worksheet which is filled out entirely by the district all the way down to a final number. This number determines the priority ranking of the particular project.

The state assumes between 50 - 90% of the project costs, depending on the wealth of the community. A community's wealth is determined by statute and is also used in the formula to calculate a project's ranking on the priority list.

Once a project is approved for funding, the state pays a percentage of both the principal (the actual cost of construction) and the interest (the additional cost per year that the town must pay on the money borrowed to complete the construction) over a 5 - 20 year period. Though the interest accrued on a project over 20 years results in a greater cost to the state than a project that is paid back over five years, a 20-year loan enables the state to fund more projects in any given year because the yearly amount for a 20-year project is less.

If all of the projects are not funded in a given fiscal year, the list is frozen for the upcoming fiscal year. This means that the remaining projects in a previous fiscal year move to the top of the priority list in the next fiscal year.

Steps leading up to filing an application for School Building Assistance:

1. Determine the need for new space by evaluating existing school facilities and developing enrollment projections and educational program needs.
2. Develop a long-range plan for the school system, including educational and building needs and estimated costs.
3. Receive the endorsement of the School Committee for all parts of the plan.
4. Arrange a Building Needs Conference with Department staff to review the long-range educational and facilities plan for the school system.

There are specifications required for school buildings by the state such as district ownership of the land upon which they plan to build; making sure building plans are in accordance with environmental guidelines; and many others outlined in Chapter 645 of the Acts of 1948. The Department staff reviews a district's plan for the school system to determine how many school buildings should be built, renovated, razed, etc. Each building within a school district that is determined to be in need of construction is a separate project and will receive a different ranking on the priority list.

5. Develop building specifications, bid documents and preliminary drawings which must be approved by the Department of Education.

The cost of the bid documents and drawings must be paid for initially by the town. The documents and drawings are reviewed by the Department staff to assure that they meet the specifications required by the regulations and as determined at the Building Needs Conference.

6. Authorize bonding for the total cost of the project.

The town must have voted in favor of the project and the sale of municipal bonds authorized before an application can be submitted.


7. Complete an application and submit it to the Department by June 1st.

An example of a worksheet districts submit to determine their rank on the priority list:

If the project is on an existing school, it is included in this list.

The "state recommended square footage per pupil" has been determined based on the gross square footage in the School Building Assistance regulations and the average building efficiency for schoolhouses and is as follows:

Elementary	80 sq. ft./pupil
Middle/Jr. High	95 sq. ft./pupil
Secondary	110 sq. ft./pupil
Vocational	155 sq. ft./pupil



Commonwealth of Massachusetts

Priority Ranking Worksheet for School Building Assistance

Date: 6/1/85

School District: Gotham City
Project: Gotham City High School
Grades to be served: 9-12
Enrollment of grades to be served: 5402

Grant Rate: 84 %

School Name	Gross Square Feet	Educational Square Feet
1. Central H.S.	268,853	179,255
2. Peripheral H.S.	209,745	118,765
3.		
4.		
etc.		
Totals:	478,598 Sq. Ft.	298,020 Sq. Ft.

Formula:

1) $\frac{298,020 \text{ (Educational Square Feet)}}{5402 \text{ (Enrollment)}} = 55.2 \text{ (Educational Sq. Ft. space per pupil)}$

2) $\frac{110 \text{ (State Recommended Square Foot per pupil)}}{55.2 \text{ (Square Foot per pupil from line 1)}} = 1.993 \text{ Sq. Ft.}$

3) $1.993 \text{ Result of line 2} \times 84 \text{ Grant Rate (\%)} = 1.674 \text{ Sq. Ft.}$

$1.993 \text{ Sq. Ft.} \times 1.674 \text{ Sq. Ft.} = 3.667 \text{ Rank}$

The Grant Rate is the community's wealth as determined by the Legislature.

Excludes closets, bathrooms, basements and other non-educational space according to the regulations.

A district that is on accreditation probation receives an extra point and a district that has received an accreditation warning receives an extra .5 points. higher number = higher priority

SUMMARY OF MASSACHUSETTS SCHOOL CONSTRUCTION PROGRAM

3 Categories

1. To correct racial imbalance and health and safety issues: 90% reimbursement
2. To provide for educational program and maintain accreditation: 50% - 90%
3. To meet other needs: 50% - 90%

Program Rules

1. June 1 application deadline
2. Prioritization within each category ("town wealth" is a criteria in formula)
3. State reimburses both principal and interest
4. Unfunded projects become "protected" for following year

Application Process

1. Local needs assessment using state form (facility assessment, enrollment projections, educational program needs)
2. Local long-range plan (facility needs and cost estimates)
3. Local school board endorsement of plan
4. Review of long-range plan by Department of Education
5. Beginning of facility planning ("concept" plans, building specifications, bid documents)
6. Local referendum
7. Local bonding of project
8. Submission of application to Department of Education

Cost Containment through Department of Education Rules

1. Rules establish square foot maximums for elementary, middle/junior high and high schools
2. Rules establish cost per square foot maximums for elementary, middle/junior high and high schools
3. Rules (and application form) require cost comparison between new construction (or addition) and renovation (of existing or closed building) or acquisition of other facility
4. Rules (and application form) require cost comparison between new construction and other alternatives, i.e., leasing, tuitioning, redistricting
5. Rules contain recommended space allocations for most instructional areas
6. Rules contain minimum and maximum enrollment standards for elementary, middle/junior high and high schools

Characterization of the State's Role in Programming, Design and Budgeting of Schools

August 22, 1996

Page 2

- F. All bidding forms and general conditions of the specifications are BGS documents.
- G. School building size is controlled by Department of Education Space Allocation Workbook recommend maximum allowances and by staff negotiation, with BGS consultation. The workbook was developed many years ago and has been updated for only three specialized spaces (libraries, cafeterias and kitchens). Some spaces needed in a modern school are not recognized. Some individual space square footage allocations are insufficient to serve current needs.
- The workbook does not recognize storage or maintenance space as needs.
 - The workbook indicates 20% of the total building size is sufficient for circulation, mechanical, wall thickness and toilets. This number is seriously insufficient and can only be met in unusual cases.
 - There is no maximum size established for schools.
- H. School budgets are established by negotiation between the Architect and Department of Educational Facilities Division staff with consultation from BGS. Taken into consideration are:
- Cost of buildings recently built.
 - Inflation
 - Local conditions.
 - Difficulty, particularly in additions.
 - Site issues including ledge, topography and utilities availability.
 - Economy of scale due to size of project.
 - Extent of furnishings and equipment needs, including computerization.
- I. The Department of Education does not participate in funding the following:
- Site purchase for portions of sites greater than maximum state allowed.
 - Playfield improvements above the ground plane and/or specifically for athletics, including dugouts, bleachers, night lighting, running tracks, field events and tennis courts.
 - School construction for areas in addition to the approved program, such as larger auditoriums, expanded stages, or larger gymnasiums.
 - Renovations which are not program related or required by code.

August 22, 1996

Characterization of the State's Role in Programming, Design and Budgeting of Schools

These notes were prepared by Frank Locker and reflect his and his firm's experience.

- A. The architect meets with the Department of Education Facilities Division a minimum of three times in the school design process:
1. Program Conference - in which the program of space needs proposed by the school and architect is reviewed and negotiated.
 2. "Concept" Conference - in which the building design and proposed budget are reviewed and negotiated. This is the final review prior to State Board of Education approval.
 3. Design Development Conference - in which the design and estimate of probable costs are reviewed at a point of approximately 50% progress toward bid date.

In addition to Facilities staff, this review involves Department of Education specialists from areas such as media center, kitchen and vocational.

Additionally, if a site is to be purchased:

- a.). There may be a site purchase conference or,
- b). the review of the site may be combined with program conference.

A final review of the design and budget, by submission, occurs just prior to bidding. Bid documents are signed as approved. In addition to Facilities staff, this review involves Department of Education specialists.

- B. During construction Department of Education reviews and approvals construction change orders. Bureau of General Services is involved in the entire process. BGS, through its' standardized contracts, establishes process and work product standards. These are particularly exacting for programming and schematic design.
- C. The Department of Education uses the word "concept" to describe the work prior to the State Board of Education, but the BGS contracts require this work to be full schematic design, a more thorough degree of development.
- D. For programming BGS requires submission of a booklet which includes a spreadsheet indicating all sizes of program areas, a page per room type indicating finishes, features, types of furniture and relationships to other rooms, and overall relationship diagrams.
- E. Submissions to BGS correspond to submissions to Department of Education. In the construction process BGS visits the site once per month, attends pay requisitions, approves change orders, and is available for construction.

ROSSER COMMISSION RECOMMENDATIONS

LOCAL SHARE OF SCHOOL CONSTRUCTION COSTS

Text - Keeping Promises: Honoring our Commitment to Educational Equity:

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

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

"Recommendation: REQUIRED LOCAL CONTRIBUTION

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

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

Background Information:

Testimony given before the Rosser Commission identified school construction projects which were promoted as "100% state funded" because the school administrative unit had already reached the debt service circuit breaker described in the School Finance Act of 1985 (specifically, Title 20-A §15611. Computation of local and state shares of debt service). While there have been instances where the "100% state funding" assertion has been made, it is likewise true that such a claim is not totally defensible, given the dependence of the circuit breaker on statewide debt service as a function of the school funding formula. The circuit breaker millage rate changes slightly each year. Therefore, the amount a local share for school construction that a school administrative unit must raise will fluctuate from year to year. Since both the circuit breaker rate and local debt service costs change each year, it is impossible to ensure that a school construction project will be "100% state funded" for all of the years in which debt service payments will be required.

All school construction projects receive the same program, space and budget review by the building committee (appointed by the local legislative body), department staff and the State Board of Education. All school construction projects are subject to the same State Board rules and administrative policies regarding program, space and budget. Even if there were a disregard of fiscal responsibility at the local building committee level (which the State Board does not believe is true), a proposed project is reviewed by department staff and the State Board before it is given concept approval. Ultimately, the project must still be approved by local voters in referendum, who recognize their status as state as well as local taxpayers.

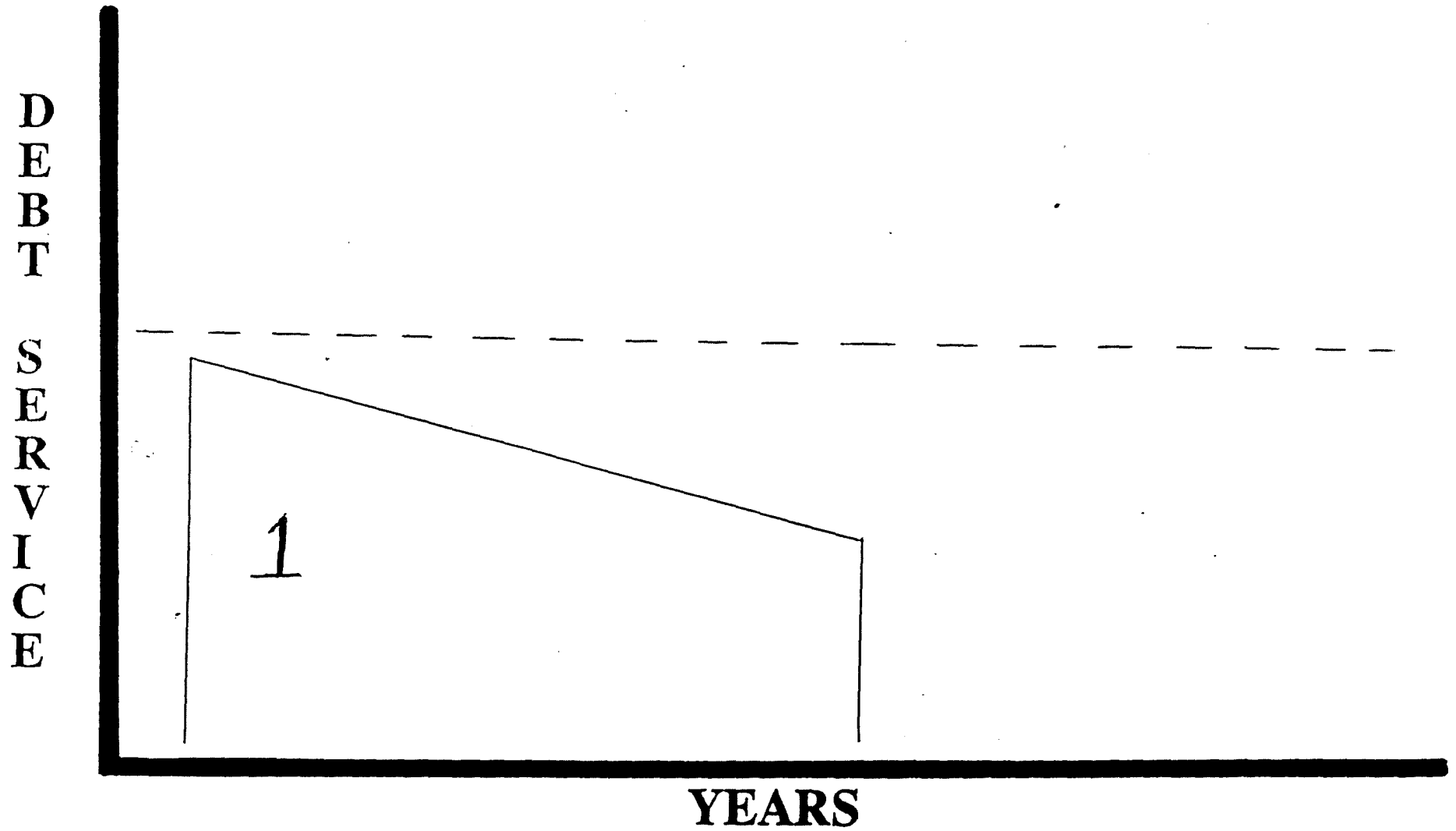
State Board Position:

1. The State Board believes that the School Finance Act of 1985 contains legitimate protection for school administrative units to ensure that the costs of school construction debt service do not exceed 10% of the school unit's state valuation.
2. The State Board recognizes that some school administrative units have promoted the local voter approval of a specific school construction project by claiming that the project costs would be "100% state funded." The Board also recognizes that "100% state funding" is impossible to accurately predict over the entire payback period of the project's debt service, because of the year-to-year fluctuation of the circuit breaker and the changing character of local debt service.

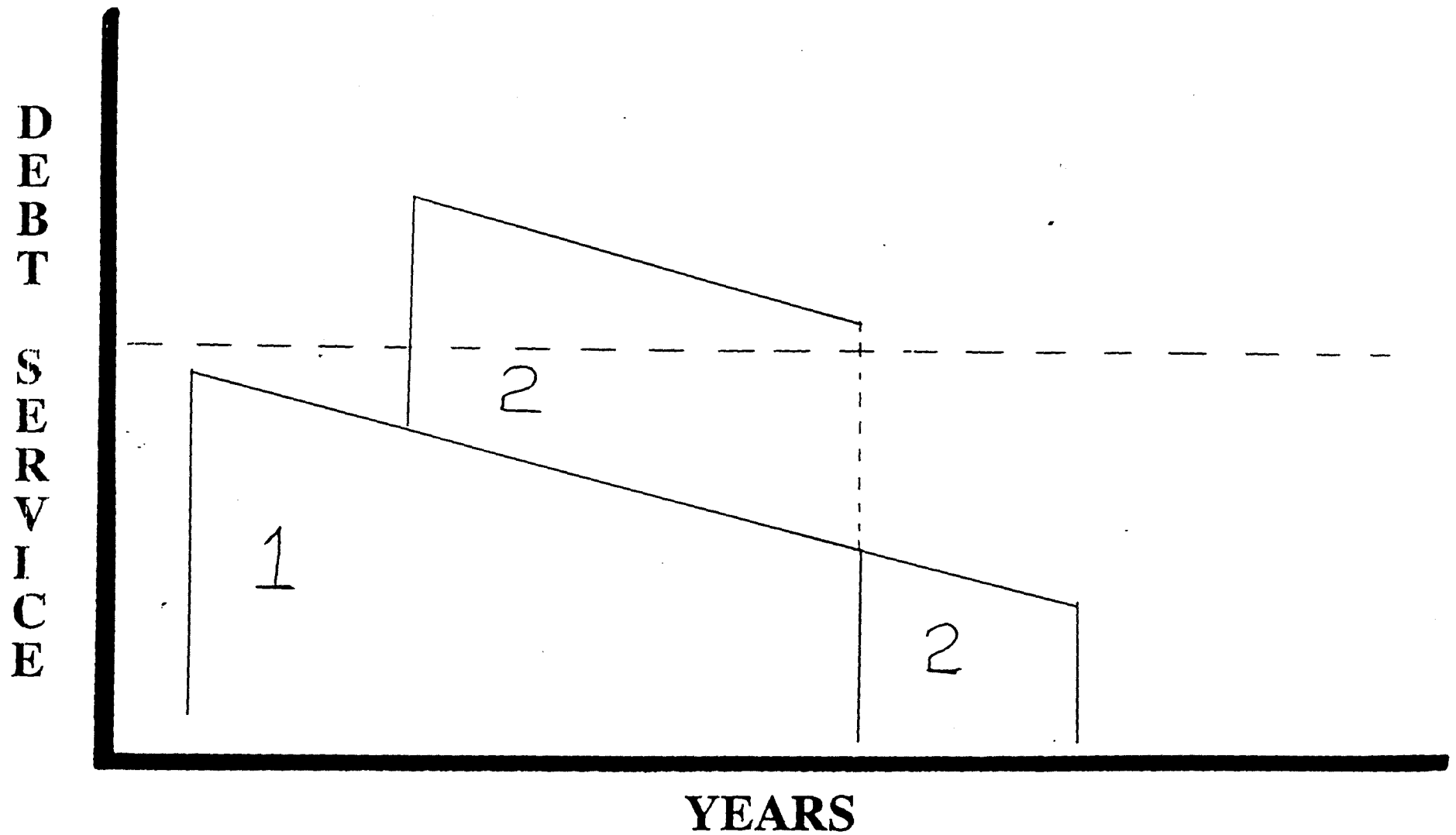
Local Share of School Construction Costs

3. The State Board believes that the review of all school construction projects by local building committees, department staff and the State Board ensures that all projects meet the same program, space and budget criteria. School administrative units whose projects are recommended for concept approval prepare the same Educational Specification and Space Allocation Workbook exhibits for review by Department staff prior to presentation to the State Board. Additionally, concept designs and the estimated budgets are reviewed by Department staff. The State Board has delegated to its School Construction Committee the responsibility to review all project approval requests.
4. The State Board believes that requiring a local share on every school construction project, in addition to the local share of debt service now required by the Finance Act of 1985, will be a additional financial burden on communities whose budgets are currently stretched to fund operating and program costs.
5. The State Board believes that requiring a local share on every school construction project will not appreciably reduce overall construction costs, but will transfer a portion of the state's current financial commitment for school construction to local taxpayers.
6. The State Board agrees with the Rosser Commission conclusion that no school construction project should be 100% funded. Therefore, the State Board supports legislation which would require a school administrative unit to assume a local share of a school construction equivalent to 10% of the project costs or 2.5 mills, whichever is smaller, for any construction project approved by the State Board when that school administrative unit has already reached the debt service circuit breaker.

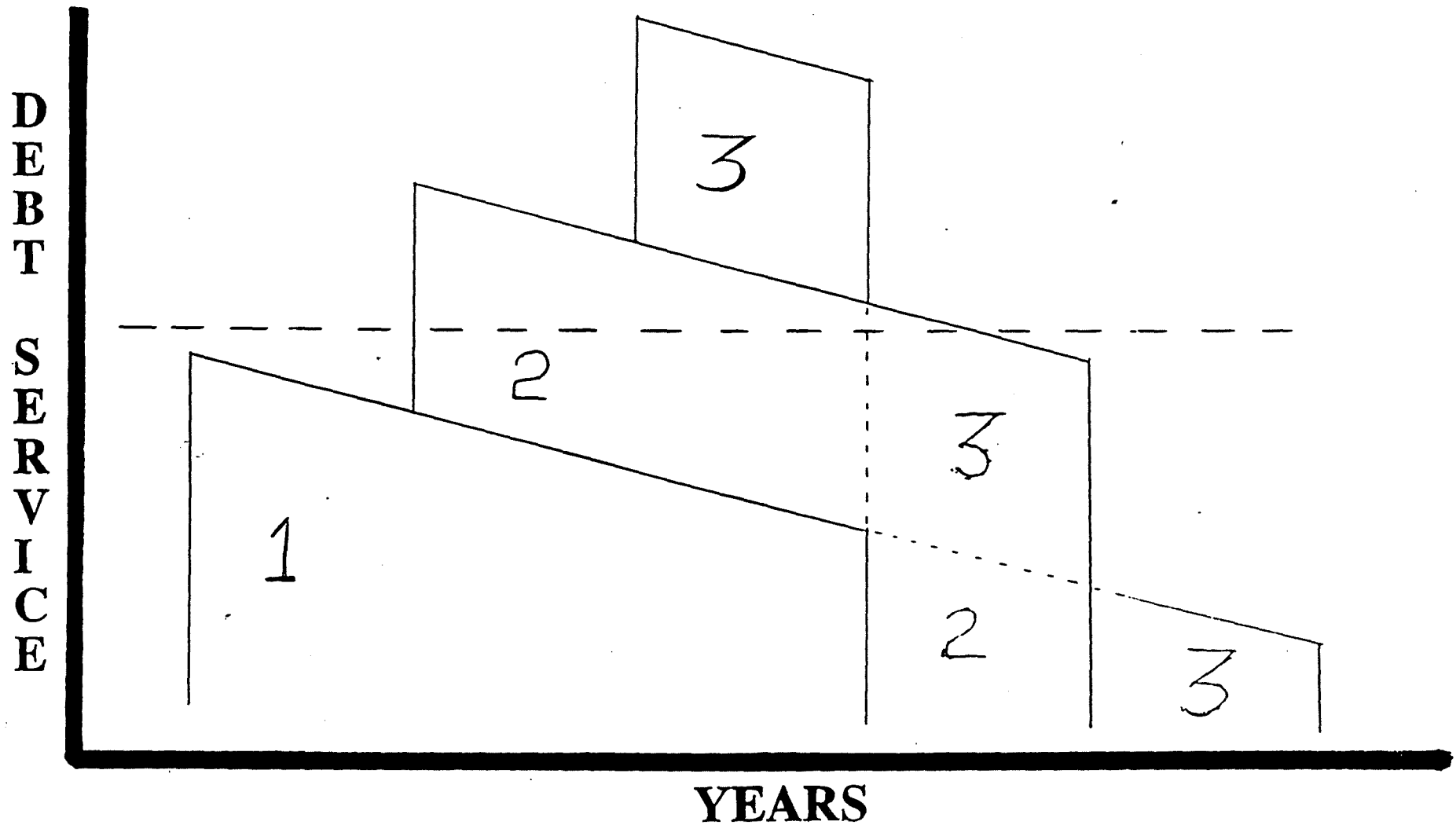
SCHOOL CONSTRUCTION DEBT SERVICE



SCHOOL CONSTRUCTION DEBT SERVICE



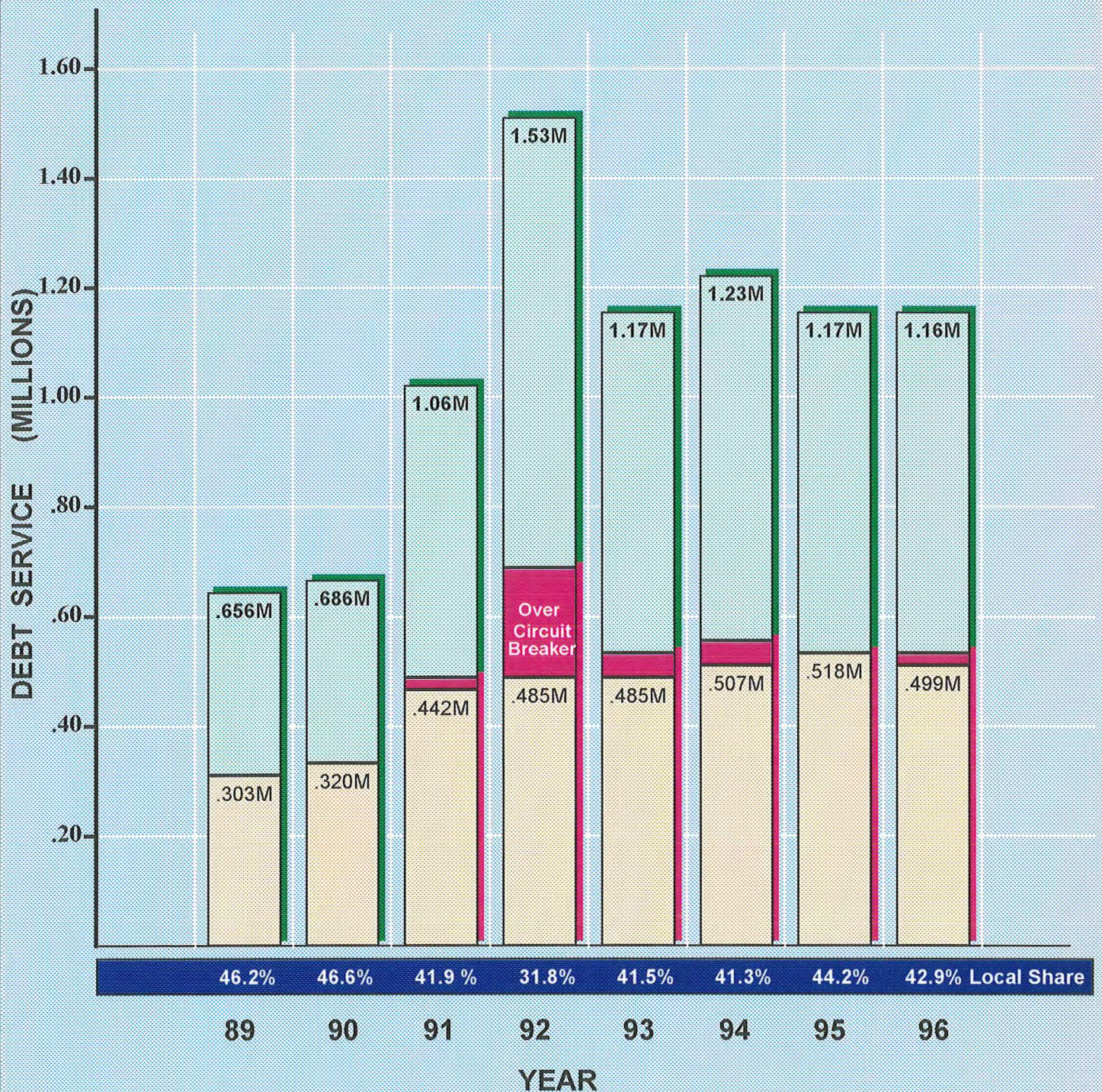
SCHOOL CONSTRUCTION DEBT SERVICE



SCHOOL CONSTRUCTION DEBT SERVICE MSAD 75

FY 1989 through FY 1996

	State	5,102,341	58.9%
	Local	3,563,207	41.1%



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LABOR RELATIONS CONSULTANTS

August 22, 1996

BY FAX 255-3112

Jim Rier, Chair
School Construction Study Group,
Vice Chair State Board of Education
21 North Street
Machias, Maine 04654

Re: Proposal for Interim Local Funding of
State Subsidized School Construction Projects

Dear Jim:

The purpose of this letter is to help provide some definition for the proposal for interim local funding of state subsidized school construction projects.

The concept, as I understand it, would permit local voters to authorize the interim construction financing of a project earlier than can occur under the current schedule for state subsidized projects. The concept includes the following:

- The proposal would apply only to projects that have reached the State Board of Education priority list. These projects currently are on "stand by" for state funding to become available.
- The proposal would provide for the Commissioner to determine the anticipated date of final funding for a project. The proposal does not affect the commencement date of state subsidy, as so estimated.
- The approval of the project by the State Board of Education would be expedited because the availability of interim local financing would allow a project to proceed directly to concept approval once on the priority list.
- The proposal does not contemplate any "shortcut" of the school construction approval process; the intent is

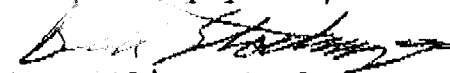
that the process commence sooner and not that it be shortened.

- The interim local financing of construction would still occur after, not before, final funding approval.
- This proposal will benefit the children of the State of Maine by allowing the construction of desperately needed schools to be completed sooner.
- The determination to incur the additional local expense of local interim financing would be a local decision.
- The State would benefit insofar as commencing construction sooner would avoid inflation of the construction cost. For example, 3% inflation per year on a \$10,000,000 project that is over the circuit breaker adds \$300,000 to the project cost for each year of delay. That cost must be financed over 20 years at current rates of approximately 5½%. Thus, the savings to the State for a project over the circuit breaker for this example comes to approximately \$473,250 (See enclosed Schedule A).
- Consideration might be given as to whether the inflation savings generated for the State should be used to assist the local unit with the cost of its interim financing. The proposal is made, however, with or without inclusion of this idea.

Obviously, not every local unit will be in a position to subsidize at local expense the "advance" interim financing costs of a project. Nonetheless, certain communities might well decide that the advantages of beginning construction sooner and having a new facility available for their children are well worth the cost. Assuming the State can be put in substantially the same financial position in terms of the amount of its subsidy, and the timing of its subsidy, of the project, there would not appear to be any reason why local communities should be denied the opportunity to provide these advantages to their school children. Indeed, as noted above, the State would save substantially by limiting the effects of inflation on the project cost.

I am sure that discussion by the Committee would be helpful in determining the merits of this proposal.

Very truly yours,



E. William Stockmeyer

EWS: plf

SCHEDULE A
EFFECT OF 3% INFLATION FOR ONE YEAR
ON A \$10 MILLION SCHOOL CONSTRUCTION PROJECT
WHEN AMORTIZED AT 5 1/2% INTEREST OVER 20 YEARS

DATE	SCHEDULED PRINCIPAL	RATE	SCHEDULED INTEREST	PAYMENT	OUTSTANDING BALANCE
09-01-96					300,000
03-01-97			8,250.00	8,250.00	300,000
09-01-97	15,000.00	5.500	8,250.00	23,250.00	285,000
03-01-98			7,837.50	7,837.50	285,000
09-01-98	15,000.00	5.500	7,837.50	22,837.50	270,000
03-01-99			7,425.00	7,425.00	270,000
09-01-99	15,000.00	5.500	7,425.00	22,425.00	255,000
03-01-00			7,012.50	7,012.50	255,000
09-01-00	15,000.00	5.500	7,012.50	22,012.50	240,000
03-01-01			6,600.00	6,600.00	240,000
09-01-01	15,000.00	5.500	6,600.00	21,600.00	225,000
03-01-02			6,187.50	6,187.50	225,000
09-01-02	15,000.00	5.500	6,187.50	21,187.50	210,000
03-01-03			5,775.00	5,775.00	210,000
09-01-03	15,000.00	5.500	5,775.00	20,775.00	195,000
03-01-04			5,362.50	5,362.50	195,000
09-01-04	15,000.00	5.500	5,362.50	20,362.50	180,000
03-01-05			4,950.00	4,950.00	180,000
09-01-05	15,000.00	5.500	4,950.00	19,950.00	165,000
03-01-06			4,537.50	4,537.50	165,000
09-01-06	15,000.00	5.500	4,537.50	19,537.50	150,000
03-01-07			4,125.00	4,125.00	150,000
09-01-07	15,000.00	5.500	4,125.00	19,125.00	135,000
03-01-08			3,712.50	3,712.50	135,000
09-01-08	15,000.00	5.500	3,712.50	18,712.50	120,000
03-01-09			3,300.00	3,300.00	120,000
09-01-09	15,000.00	5.500	3,300.00	18,300.00	105,000
03-01-10			2,887.50	2,887.50	105,000
09-01-10	15,000.00	5.500	2,887.50	17,887.50	90,000
03-01-11			2,475.00	2,475.00	90,000
09-01-11	15,000.00	5.500	2,475.00	17,475.00	75,000
03-01-12			2,062.50	2,062.50	75,000
09-01-12	15,000.00	5.500	2,062.50	17,062.50	60,000
03-01-13			1,650.00	1,650.00	60,000
09-01-13	15,000.00	5.500	1,650.00	16,650.00	45,000
03-01-14			1,237.50	1,237.50	45,000
09-01-14	15,000.00	5.500	1,237.50	16,237.50	30,000
03-01-15			825.00	825.00	30,000
09-01-15	15,000.00	5.500	825.00	15,825.00	15,000
03-01-16			412.50	412.50	15,000
09-01-16	15,000.00	5.500	412.50	15,412.50	0

TOTAL \$ 300,000.00 173,250.00

\$ 473,250.00

ACCRUED INTEREST TO 09-01-96 0.00

AVERAGE INTEREST RATE 5.500%

BOND YEARS 3,150.000

AVERAGE LIFE 10.500 YRS.

SUMMARY OF PRESIDENT CLINTON'S SCHOOL CONSTRUCTION INITIATIVE

July 11, 1996

PRESIDENT CLINTON PROPOSES A NEW INITIATIVE TO HELP LOCAL COMMUNITIES AND STATES REBUILD THE NATION'S SCHOOLS. As America moves into the 21st century, our students, teachers, and schools should too. If our schools are in no shape for the future, our students won't be either. The facts are clear:

- **One-Third Of All Schools — Serving 14 Million Students — Need Extensive Repair Or Replacement.** According to a recent General Accounting Office report, about 60 percent of schools have at least one major building feature in disrepair, such as inadequate plumbing. Over 50 percent have at least one environmental problem, such as poor indoor air quality. [Source: General Accounting Office Report: "School Facilities: America's Schools Report Differing Conditions," June 14, 1996]
- **Schools Do Not Have The Physical Infrastructure To Allow Our Students To Take Advantage of the 21st Century.** Many schools do not have the physical infrastructure to make the best use out of computers, printers, and other equipment. Almost half (46 percent) of the schools report inadequate electrical wiring for computers and communications technology, and over half (52 percent) of schools report six or more insufficient technology elements (such as fiber optics cabling, phone lines for modems, and wiring for computers). [Source: General Accounting Office, "School Facilities: America's Schools Not Designed or Equipped for 21st Century," April 4, 1995]
- **Expected Enrollment Growth Imposes Additional Burdens.** Many school districts also face the need to build new schools to accommodate enrollment growth. Public school enrollment in grades K-12 is expected to rise 20% between 1990 and 2004. [Source: U.S. Department of Commerce, *Statistical Abstract of the United States, 1995*, p. 151]

KEY ELEMENTS OF PRESIDENT CLINTON'S NEW SCHOOL CONSTRUCTION INITIATIVE

- **Up to 50% Interest Subsidy for New School Construction and Renovation.** The initiative will reduce interest costs on new school construction and renovation projects by up to 50%, with a sliding subsidy scale depending on need.
- **\$20 Billion in School Construction Spurred by \$5 Billion in Federal Jump-Start Funding Over 4 Years.** The interest reduction is equivalent to subsidizing \$1 out of every \$4 in construction and renovation spending. \$5 billion in federal funding over 4 years -- with most of the money administered by the States -- would support \$20 billion in construction and renovation. One of the key criteria in distributing funds to projects will be the extent to which the spending is incremental -- above what would have occurred without this initiative.
- **Goal of 25% Increase in School Construction Over 4 Years.** National spending on school construction and renovation is currently about \$10 billion a year or \$40 billion over 4 years. By focusing on incremental or net additional construction projects, this initiative aims to ensure that at least half of the \$20 billion supported by federal subsidies would not have otherwise occurred. This would increase school construction by at least \$10 billion to a total of \$50 billion over 4 years -- increasing school construction by 25%.
- **One-Time Construction Initiative Fully Paid For By One-Time Spectrum Auction:** A one-time auction of portions of the spectrum between channels 60-69 will fully fund this jump-start proposal.
- **State and Local Governments Maintain Responsibility and Control.** States would administer the bulk of the subsidies, while the largest school districts would apply directly to the U.S. Department of Education.

BACKGROUND ON PRESIDENT CLINTON'S SCHOOL CONSTRUCTION INITIATIVE

July 11, 1996

50% INTEREST SUBSIDY FOR NEW CONSTRUCTION AND RENOVATION: President Clinton's new School Construction Initiative provides up to a 50% interest subsidy to school districts repairing existing K-12 schools or building new schools to replace old ones or to accommodate increased enrollments. Subsidies would be awarded according to several criteria, including need and evidence that the funding will support construction or renovation that would otherwise not have occurred.

- School construction is typically funded through tax-exempt bonds that currently carry interest rates of about 6%. The interest subsidy would be as large as 50% of the interest rate -- reducing the interest rate from 6% to 3%.
- The interest subsidy would generally be 50%, but could be administered on a sliding-scale with the communities most in need receiving the full 50% interest subsidy and communities with less need receiving a smaller subsidy.

\$20 BILLION IN STATE AND LOCAL SCHOOL CONSTRUCTION SPURRED BY \$5 BILLION FEDERAL JUMP-START:

- The President's plan provides \$5 billion in federal subsidies over the next four years.
- The initiative would be a four-year, capped mandatory proposal that would be fully funded by auctioning a portion of the spectrum between channels 60-69.
- Given the subsidy rate, the \$5 billion should support \$20 billion in school construction and renovation. Since the initiative is time-limited, school districts would have an incentive to act within the 4-year window.

GOAL OF 25% INCREASE IN SCHOOL CONSTRUCTION OVER NEXT FOUR YEARS:

- Currently, about \$10 billion a year is spent on school construction each year -- or roughly \$40 billion over 4 years.
- With up to a 50% interest subsidy, \$5 billion in federal funding over 4 years should support a total of \$20 billion in school construction.
- An important selection criteria is that communities undertake *additional* projects. If the targeting criteria work perfectly, the entire \$20 billion in construction supported by the federal jump-start will be incremental -- roughly a 50% increase over the \$40 billion currently projected to be spent over the next 4 years.
- Our goal is to ensure that at least half of the \$20 billion will be additional net construction and renovation. This \$10 billion in additional spending would represent a 25% increase over the projected level of spending over 4 years (\$40 billion).

STATE AND LOCAL GOVERNMENTS MAINTAIN CONTROL AND RESPONSIBILITY: The President's initiative seeks to aid and strengthen the hand of local governments to build and rebuild their schools. But they must still take responsibility for their proposals and most of the cost.

- The initiative will make it easier for state and local governments to do the right thing by cutting their interest costs in half.
- States would administer the bulk of the credit subsidies to local communities. States would need to show that they have a plan to use selection criteria that would encourage net additional construction based on historical averages and past effort.
- The 100 largest school districts by poverty count, plus approximately 25 other school districts the Education Department determines have exceptional needs, would apply directly to the Department of Education for credit subsidies to ensure that major cities which have the most significant needs receive appropriate treatment.

ONE-TIME SCHOOL CONSTRUCTION INITIATIVE FULLY-PAID FOR BY ONE-TIME AUCTION OF PORTIONS OF THE SPECTRUM BETWEEN CHANNELS 60-69: The initiative is fully paid for through a new proposal to auction a portion of the spectrum between channels 60-69 that is not currently being used for TV broadcasting. This one-time auction is expected to raise the \$5 billion needed to fully pay for this school construction kick-start.

- For several years the FCC has been studying the possibility of auctioning unused or underutilized portions of the broadcast spectrum in between existing TV stations. The FCC has now concluded that with the development of digital wireless technology, the space around the TV stations can be auctioned and used without disturbing these broadcast stations.
- Therefore, this new proposal -- not contained in any previous Administration budget -- would auction a portion of the spectrum around the TV stations using channels 60-69. This spectrum is not currently being used for TV broadcasting, and its quality and location make it very desirable for exciting new personal communication services applications.

TECHNICAL ASSISTANCE PROVIDED TO HELP STATES AND LOCALITIES: Where there is a request for technical assistance, the Education Department or designated outside experts will be available to provide local and state government officials and other interested parties with information to assist them with school construction and renovation.

- States and localities will be provided with information and referrals relating to issues such as how to survey building needs, to accurately project enrollment, unconventional financing strategies, successful contract bidding strategies, and effective preventive maintenance strategies.

PURPOSES OF SUBSIDIZED PROJECTS: The credit subsidy will be used to lower the cost of additional construction or renovation projects with one of the following purposes:

- 1) Fixing or upgrading classrooms or structures related to academic learning, including fixing leak roofs, crumbling walls, inadequate plumbing, poor ventilation, and heating or light problems
- 2) Increasing physical safety at the school
- 3) Enhancing access for students, teachers, and other people with disabilities
- 4) Improving energy efficiency
- 5) Addressing environmental hazards, such as poor ventilation, indoor air quality, or lighting
- 6) Providing the basic infrastructure that facilitates educational technology, such as communications outlets, electrical systems, power outlets, or a communication closet
- 7) Constructing new schools to meet the needs imposed by enrollment growth, and to create community schools and charter schools.

HOW TYPICAL COMMUNITIES WILL BENEFIT FROM PRESIDENT CLINTON'S SCHOOL CONSTRUCTION INITIATIVE

CITY OF METROPOLIS

TYPICAL PROBLEMS:

Like cities across the nation, Metropolis has large school construction and renovation needs. Two of its schools need major renovations, including plumbing and new roofs, and an additional elementary school is needed to accommodate a rapidly growing school age population.

TYPICAL COSTS:

The repairs and two new school buildings are expected to cost \$10 million (\$2 million each for the major renovations to the two existing schools, and \$6 million for the new elementary school).

TYPICAL OBSTACLES:

Despite the clear need for the repairs and two new schools, the school board has been reluctant to propose issuing a bond when it could be rejected as too costly. As a result, only emergency repairs -- funded out of an operations account -- have been undertaken.

IMPACT OF PRESIDENT CLINTON'S SCHOOL CONSTRUCTION INITIATIVE

Reduces Local Cost of School Construction. The President's proposal could cut interest payments in half, saving Metropolis \$5 million in interest costs over the life of their \$10 million bond. This is equivalent to saving \$2.9 million immediately -- savings of 29% off of face value.

TOWN OF RURALSVILLE

TYPICAL PROBLEMS:

The town of Ruralsville has three schools in need of major renovations, to improve indoor air quality, ventilation, and roofs.

TYPICAL COSTS:

The repairs of the 3 school buildings are expected to cost \$5 million.

TYPICAL OBSTACLES:

Ruralsville faces difficult challenges in renovating its schools. Its tax base is too small to pay for the necessary renovations, and bond financing is too expensive.

IMPACT OF PRESIDENT CLINTON'S SCHOOL CONSTRUCTION INITIATIVE

Reduces Local Cost of School Construction. The President's proposal could cut the interest rate paid by Ruralsville in half. This would save Ruralsville more than \$1.7 million in interest costs over the life of their \$5 million bond. This is equivalent to saving \$1.2 million immediately -- savings of 23% off of face value.

[SEE ATTACHED TABLES FOR SPECIFIC SAVINGS UNDER PRESIDENT CLINTON'S INITIATIVE]

THE CASE OF THE CITY OF METROPOLIS
Clinton Initiative Saves City 29% of Construction Cost

**COST OF CONSTRUCTION
AND RENOVATION:**

\$10 million (\$2 million each for the major renovations to the two existing schools, and \$6 million for the new elementary school).

FINANCING:

Financed with 30-year bond with interest rate of 6%.
Principal repayments begin after second year.

	CURRENT LAW	CLINTON INITIATIVE	SAVINGS
INTEREST RATE	6%	3%	3%
AVERAGE ANNUAL INTEREST PAYMENT	\$330,000	\$165,000	\$165,000
TOTAL ANNUAL INTEREST PAYMENTS OVER 30 YEARS	\$9.9 million	\$4.95 million	\$4.95 million

**SAVINGS AS A PERCENTAGE
OF FACE VALUE**

Face Value of School Construction	\$10 million
Present Value of Interest Subsidy Under Clinton Initiative	\$2.9 million
<i>Clinton Initiative Savings as a Percentage of Face Value</i>	29%

CASE OF THE TOWN OF RURALSVILLE
Clinton Initiative Saves City 23% of Renovation Cost

**COST OF CONSTRUCTION
AND RENOVATION:**

\$5 million (1.7 million each for the major renovations to the three existing schools).

FINANCING:

Financed with 20-year bond with interest rate of 6%.
Principal repayments begin after second year.

	CURRENT LAW	CLINTON INITIATIVE	SAVINGS
INTEREST RATE	6%	3%	3%
AVERAGE ANNUAL INTEREST PAYMENT	\$172,500	\$86,250	\$86,250
TOTAL ANNUAL INTEREST PAYMENTS OVER 30 YEARS	\$3.45 million	\$1.73 million	\$1.73 million

**SAVINGS AS A PERCENTAGE
OF FACE VALUE**

Face Value of School Renovation	\$5 million
Present Value of Interest Subsidy Under Clinton Initiative	\$1.2 million
<i>Clinton Initiative Savings as a Percentage of Face Value</i>	23%

BONDING FOR SCHOOL CONSTRUCTION

- * Subsidy for school construction based on debt service (principal and interest) on repayment of local bonds
- * Amount of bonding established by State Board at funding approval (state subsidized budget plus any "local only" portion of project budget)
- * Timing of bond issuance requires commissioner's approval (regulation of project bonding's impact on legislative debt service limit)
- * Length of bonds set in State Board rules (amount of project)

Under \$750,000	5 years
\$750,001 to \$1,500,000	10 years
\$1,500,001 to \$2,500,000	15 years
Over \$2,500,000	20 years

- * Use of bond proceeds
 1. Repayment of short-term borrowing (principal and interest)
 2. Deposit in checking account for immediate construction expenses
 3. Investment of remaining bond proceeds
- * Investment of bond proceeds regulated by State Board rules (to ensure secure investment)
- * Interim and final audits by Department
- * Interest paid on temporary borrowing comes from interest earned on investment of bond proceeds; excess interest returned to state (goes to General Fund)

- * Excess construction funds ("overbonding") returned to state (goes to General Fund) *NO LONGER POSSIBLE — PER IRS RULINGS MAY 1996. — CREATING THE NECESSITY FOR DEFINITION OF THIS CATEGORY — WHAT CAN BE DONE WITH EXCESS BOND FUNDS TO BEST SERVE SCHOOL FACILITIES*

MEMORANDUM

TO: Jim Rier

FROM: EWS *Bill Starn*

RE: Preliminary Discussion of Legal Issues Affecting the Use of Excess Construction Bond Proceeds

DATE: August 22, 1996

Summary

This memorandum discusses the legal issues related to the possible uses of excess school construction bond proceeds. It is unclear how frequently this problem occurs, and the conclusions of this memorandum are preliminary in nature. The memorandum concludes that excess proceeds currently may be used to pay down the bonds that have been issued for the project. The memorandum further concludes that changes in the regulatory framework and/or contractual agreements with the bondholders probably would permit excess proceeds to be used for further additional project-related expenses. A third possibility, return of excess proceeds to the Department of Education general fund, may run afoul of IRS requirements that proceeds be used for a governmental purpose of the school unit.

Scope of the Problem

It remains somewhat unclear how frequently the problem of unspent construction proceeds occurs. Generally, the architect proposes a series of add alternates to be used if the bids are lower than expected. Additionally, the school unit is expected to produce a list of equipment which can be purchased with proceeds available at the end of the project. Once underway, change orders may further increase the cost. Nonetheless, at least in the past, some projects have resulted in unspent proceeds. It is recommended that the scope of the problem be identified in considering the possible alternatives for excess project funds discussed in this memorandum.

Federal Tax Law

By way of background, the IRS has adopted complex regulations designed to prevent local municipalities and school districts from abusing the privilege of issuing bonds on a tax-exempt basis. Subject to certain exceptions, the regulations are designed to restrict "arbitrage" or the earnings on the spread between the cost of borrowed funds and the investment earnings on these funds, and to require the "rebate" to the IRS of arbitrage in certain circumstances. Accordingly, Federal tax law does not permit a governmental issuer to intentionally issue more bonds

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than needed, or to issue bonds intentionally in advance of when needed. Doing so may result in the bond income being deemed taxable to the bondholder.

Assuming that excess bond proceeds nonetheless result unintentionally, the question remains whether and to what extent federal tax law restricts the application of excess funds. The rules here are exceedingly complex and may depend upon a number of facts and/or elections made by the issuer of the bonds. Attachments A and B to this memorandum are a couple of materials that address these issues in greater detail, as summarized below.

Attachment A is a general memorandum which concludes that federal tax regulations permit excess bond proceeds to be used to establish a fund to service the debt, provided that the yield from investing the fund is restricted to a rate not higher than the interest rate paid on the bond issue itself. Alternatively, Attachment A concludes that the Federal tax laws permit such excess proceeds to be used for a governmental purpose of the local issuer.

Attachment B is an example from the IRS regulations that applies in the particular case where the issuer has made an election to pay a one and a half percent penalty in lieu of rebate. That example permits the termination of the 1½% penalty by payment of an additional 3% penalty, whereupon unspent construction proceeds must be used to pay the bonds as soon as possible (and the investment of the unspent proceeds must be yield restricted), or instead to be spent on the project prior to the earliest possible payment of the bonds.¹

Based upon these attachments, it appears that Federal tax law permits unintentional excess bond proceeds to be used to pay the bonds or for them to be used on the project. It would, appear, however, that the return of the funds to the Department of Education general fund would raise a significant issue as to whether the bond proceeds have been applied to a governmental purpose of the school district under these principles. Presumably, that general fund money is used for purposes other than those of the issuer of the bonds, which would not be permitted by Federal tax law.

Contract Law

The contract terms of the bond documents set forth the rights of the issuer with respect to the bondholder(s). In a

¹ This regulation applies in a highly fact specific circumstance not applicable to most school construction projects. The example in this particular circumstance, however, is illustrative of the general principles described in Attachment A.

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typical situation, school construction bonds are sold to the Maine Municipal Bond Bank. Alternatively, bonds may be sold to a Maine banking institution, or may be sold by an underwriter to the general bond market. The terms of bond documents customarily in use would permit excess proceeds to be used to pay the debt service, but would prohibit a use by the issuer other than for the project. Presumably, however, a use of excess bond proceeds that does not violate Federal tax law would not necessarily be objectionable to the bondholder. Accordingly, if the bondholder is provided with assurances that the validity and tax-exempt status of the bonds would not be affected, it would seem that the bondholder should have no objection to permitting such use, notwithstanding the terms of the documents, which could be amended. It may be instructive, however, to obtain comments from the Maine Municipal Bond Bank on this matter.

State Law Approvals

With respect to State laws regulating the approval of school construction projects, the application of construction proceeds to pay the debt service would not appear to raise any issues. If, however, unexpended bond proceeds were used for another purpose, a couple of issues arise. First, the initial bond issuance included an appropriation by the voters of the bond proceeds to the project. Presumably, the voters should authorize any use which does not fall within that contemplated by the referendum vote. In many circumstances, however, an "extra" feature or improvement to the original project may well fall within the appropriation contemplated by the original referendum vote.

A second state law issue arises with respect to whether the application of funds falls within the approval granted by the State Board of Education for the project. Arguably, it may be necessary to amend the final funding approval defining the permissible scope of the "project" if an improvement or an "extra" is not within that which was originally approved. Certain project amendments may well be justified. For example, funds might unexpectedly become available to pay a cost related to the project that was not contemplated at the time of final funding approval. A cost such as this might have been approved had it been recognized at the time. Obviously, other costs, such as costs completely unrelated to the project, might not be regarded as appropriate for state funding.

Conclusion

This memorandum, while preliminary in nature, suggests that the most likely alternatives available for excess project proceeds are for the proceeds to be used to pay debt service or in appropriate circumstances for the proceeds to be utilized for further additional costs related to the project. The latter

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alternative may require amendment of the bond documents and consent of the bondholder, and may further require further State Board of Education approval.

77940.1

M E M O R A N D U M

TO: EWS

FROM: JK

RE: Excess Proceeds of Tax Exempt Bonds/Minor Capital Project

DATE: August 22, 1996

BACKGROUND

School Unit A is planning to issue tax exempt bonds totaling approximately \$545,000 for use in various capital improvement projects. The client anticipates that prior to approving the bond issue, the voters will want to know what will happen to any unspent bond proceeds, in the event that the planned projects are completed under budget. School Unit A is seeking advice regarding what it may permissibly do with any unspent bond proceeds at the completion of the projects.

The Internal Revenue Code places a series of restrictions on the use of tax exempt bond proceeds. These restrictions fall into two main categories: the types of projects which may be funded with tax exempt bond proceeds, and the investment of proceeds prior to their use in the designated project. The first type of restriction guarantees that tax exempt bonds will be used for essentially governmental purposes. The restrictions on investment of proceeds prevent bond issuers from borrowing at tax-exempt rates and reinvesting at higher rates.

The policy objectives behind these restrictions are clear. The Treasury does not want to provide the benefit of tax exempt interest on a bond unless it is necessary for a governmental objective, nor does it want local governments using tax-exempt bonds as a vehicle to generate investment profits.

At issue for purposes of School Unit A's proposed bond issue are the restrictions on investment of bond proceeds, known as the arbitrage rules. Because School Unit A will be using the proceeds only for governmental purposes, such as improvements to school buildings, the restrictions on non-qualified use will not come into play.

ARBITRAGE RULES

There are two components to the Arbitrage rules under the Internal revenue Code. Prior to 1986, the arbitrage rules were based on the "expectations" at the time of issuance. In 1986 rebate rules were added to the expectations analysis, effectively establishing two sets of rules with which bond issuers must comply.

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Reasonable Expectation Analysis

Section 148 of the Code defines an arbitrage bond as any issue "the proceeds of which are reasonably expected (at the time of issuance of the bond) to be used ... (1) to acquire higher yielding investments, or (2) to replace funds which were used directly or indirectly to acquire higher yielding investments." (Sec. 148(a).) That section also places a continuing responsibility on issuers by adding that if an issuer intentionally invests bond proceeds in a higher yielding investment, that too will cause a bond to be an arbitrage bond.

The "reasonable expectation" of the issuer is determined based on the issuance of an Arbitrage Certificate. The certificate provides evidence, but is not conclusive, of the issuers expectation that a bond will not earn arbitrage. If a bond is determined to be an arbitrage bond, either because the issuer did not reasonably expect that the proceeds would not be invested at higher rates, or because following the issue date the issuer intentionally used the proceeds to acquire higher yielding investments, then the interest paid on the bond will not be tax exempt. (Sec. 103(b)(2).)

Of course, there are exceptions to the prohibition on investing bond proceeds at higher yields. An exception exists for temporary investment of proceeds until they are needed (Sec. 148(c).) Additionally, up to 10% of the proceeds of an issue may be invested at higher rates in a "reasonably required reserve or replacement fund" without causing the bond to be deemed an arbitrage bond. (Sec. 148(d).) Finally a "minor portion" of tax-exempt bond proceeds may be invested at higher yields. A minor portion is defined as the lesser of 5% of the issue proceeds and \$100,000.

Arbitrage Rebate

Code section 148(f) provides a mechanism by which an issuer must rebate to the United States the difference between the yield earned on invested bond proceeds and the amount that would have been earned had the proceeds been invested at the same rate as that paid on the bond. If an issuer fails to comply with section 148(f)(2) and 148(f)(3), the bond will be treated as an arbitrage bond.

The calculation of the required rebate amount is extremely complex and subject to numerous exceptions. One of the exceptions applies to an issuers which reasonably expects that it will not issue more than \$5 million in bonds in the calendar year of the issue in question, provided it meets certain requirements. (Sec. 148(f)(4)(C).)

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August 22, 1996

To qualify under this exception the issuer must represent that it reasonably expects to issue less than \$5 million in the aggregate of tax exempt bonds in the calendar year, that the issuer has general taxing powers, and that it expects to spend at least 95 percent of the proceeds on local government activities. These representations should be made in the arbitrage certificate.

As School Unit A does not expect to issue bond totalling five million dollars in 1996, it will not subject to the arbitrage rebate provisions, assuming it makes the proper representations in the arbitrage certificate. It is, of course, still subject to the reasonable expectations analysis.

USE OF UNEXPENDED BOND PROCEEDS

In the event that School Unit A is left with unspent proceeds at the completion of the projects it will be free to place the proceeds into a fund designated for debt service on this issue. It may also use the proceeds for other capital projects.

As a general rule there are three things which School Unit A may not do. (1) It cannot issue a tax exempt bond for more than it reasonably expects it will need for the capital improvements. (2) It cannot invest bond proceeds in a non-purpose investment which earns a higher yield than that being paid on the bond. (3) It cannot use the proceeds for a non-governmental use.

To the extent that School Unit A reasonably expects that it will need the full amount of the issue to pay for the planned capital improvements but nonetheless is left unspent proceeds, it may establish a fund to service the debt of this issue, so long as it does not invest the fund in an investment yielding a higher rate than the issue itself. Similarly there is no ban on placing unspent proceed in a capital reserve fund, as long as the arbitrage rules are not violated.

ATTACHMENT B

§ 1.148-8(c)

FEDERAL TAXATION OF MUNICIPAL BONDS DESKBOOK

IRS
REGS.

(iii) The issuer has met all of the conditions for a section 148(f)(4)(C)(viii) penalty termination, applied as if the initial temporary period ended as of the date the required election for a section 148(f)(4)(C)(ix) penalty termination is made. That penalty termination election satisfies the required election for a section 148(f)(4)(C)(viii) termination.

(3) **Application to reasonable retainage.** Solely for purposes of determining whether the conditions for terminating the 1½ percent penalty are met, reasonable retainage may be treated as spent for a governmental purpose of the construction issue. Reasonable retainage that is so treated continues to be subject to the 1½ percent penalty.

(4) **Example.** The operation of this paragraph (1) is illustrated by the following example.

Example. City I issues a construction issue having a 20-year maturity and qualifying for a 3-year initial temporary period. The bonds are first subject to optional redemption 10 years after the issue date at a premium of 3 percent. I elects, on or before the issue date, to pay the 1½ percent penalty in lieu of arbitrage rebate. At the end of the 3-year temporary period, the project is not substantially completed, and \$1,500,000 of available construction proceeds of the issue are unspent. At that time, I reasonably expects to need \$500,000 to complete the project. I may terminate the 1½ percent penalty in lieu of arbitrage rebate with respect to the excess \$1,500,000 by electing to terminate within 90 days of the end of the initial temporary period: paying a penalty to the United States of \$135,000 (3 percent of \$1,500,000 multiplied by 3 years); restricting the yield on the investment of unspent available construction proceeds for 7 years until the first call date, although any portion of these proceeds may still be spent on the project prior to that call date; and using the available construction proceeds that, as of the first call date, have not been allocated to expenditures for the governmental purposes of the issue to redeem bonds on that call date. If I fails to make the termination election, I is required to pay the 1½ percent penalty on unspent available construction proceeds every 6 months until the latest maturity date of bonds of the issue (or any bonds of another issue that refund such bonds).

(m) **Payment of penalties.** Each penalty payment under this section must be paid in the manner provided in § 1.148-3(g). See § 1.148-3(h) for rules on failures to pay penalties under this section.

§ 1.148-8 Small issuer exception to rebate requirement.

(a) **Scope.** Under section 148(f)(4)(D), bonds issued to finance governmental activities of certain small issuers are treated as meeting the arbitrage rebate requirement of section 148(f)(2) (the "small issuer exception"). This section provides guidance on the small issuer exception.

(b) **General taxing powers.** The small issuer exception generally applies only to bonds issued by governmental units with general taxing powers. A governmental unit has general taxing powers if it has the power to impose taxes (or to cause another entity to impose taxes) of general applicability which, when collected, may be used for the general purposes of the issuer. The taxing power may be limited to a specific type of tax, provided that the applicability of the tax is not limited to a small number of persons. The governmental unit's exercise of its taxing power may be subject to procedural limitations, such as voter approval requirements, but may not be contingent on approval by another governmental unit. See, also, section 148(f)(4)(D)(iv).

(c) **Size limitation—(i) In general.** An issue (other than a refunding issue) qualifies for the small issuer exception only if the issuer reasonably expects, as of the

Maine Sunday Telegram 7/31/96

School fund formula up for overhaul

● Tight state aid and fierce competition mean dozens of schools throughout Maine are stuck in unsuitable buildings.

By PETER POCHNA
Staff Writer

Seventh- and eighth-graders in Corinna attend school in a 140-year-old, rotting wood building that a state official called "a fire trap." In Camden, high school students this fall will take classes in a bus garage.

And in Bowdoin, the elementary school is so crowded that about half of the 310 students attend classes in portable trailers with poor ventilation and leaky roofs.

Despite their desperate need for new buildings, none of these school districts finished high enough on a state priority list issued this month to qualify for state money for construction.

Competition for state aid is so fierce, and the Legislature has made so little money available that dozens of schools throughout Maine are stuck in buildings not suitable for providing good education.

The logjam of needy schools will not clear any time soon. Even the school construction project that topped this year's priority list, a proposal to build a high school in Falmouth, will not receive money before 1999, and perhaps not even then.

"There is a very serious problem in school construction," said state Sen. Mary Small, R-Bath, who served this year as chairwoman of the Legislature's Education Committee. "It is an issue that has been put off for a number of years. It is an issue that needs to be addressed now."

"It is an issue that needs to be addressed now."

Sen. Mary Small
R-Bath

State officials in the next few months will work to rectify the problem. A group of legislators and school officials will convene July 31 to begin revising the way the state rates and funds school construction projects. The group's aim is to make the system more equitable and to stretch the limited funds that are available.

One proposal it will consider is to require a minimum contribution from any school district receiving construction aid. Under the current funding formula, some construction projects are funded solely by the state.

Also under way is an effort to inventory the condition of all school buildings in the state. The inventory, the first the state has conducted since 1973, is expected to be completed this fall.

Andrew Ayer, a member of the state Board of Education, said he expects the inventory will paint a grim picture. He said he hopes it will prompt the Legislature to increase funding for school

Please see SCHOOLS, back page this section

SUGGESTED FUNDING REFORMS

Some school officials claim the state's method of funding school construction is wasteful and doesn't accurately measure the needs of schools.

Here are some reforms that a group of legislators and school officials will begin considering July 31.

Require a minimum local contribution from school districts receiving state aid for a construction project.

Revise the project rating system to give school districts credit for proposals that save money by consolidating two or more schools in one building.

Further revise the rating system by changing the current criteria, which now include condition of building and grounds, enrollment, existence or lack of programs, and community access to school facilities.

Require school districts to prepare cost comparisons between new construction and the renovation of existing buildings when applying for construction aid.

The group is scheduled to report to a legislative committee in December.



Jane Laffleur and her children, Sarah and Adam, sit on the steps of the Lake Street School in Auburn. Laffleur led the drive to make improvements to the school.
 GREGORY RICE/Sunday photographer

CRUMBLING SCHOOLS

Maine schools deteriorating in tight economy

By SUSAN RAYFIELD
 Sunday Staff Writer

AUBURN — The ceilings leaked, the rugs were threadbare, hot water scalded the kids, and the furnace overheated on a regular basis. Fed up with conditions at Lake Street Elementary School, parents Jane and Joel Laffleur decided to do something about it.

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"I was so concerned for the children's safety and health," she said. "We knew money was tight but some conditions have to be improved to make learning work."

Luckily, the Laffleurs' efforts coincided with Auburn's first capital improvement plan in five years. Seeing the condition of some of the schools, city councilors recommended a \$1 million bond for school repair and maintenance in 1997, to be considered by the council in August. When they started prioritizing, Lake Street rose to the top of the list.

"What happened is wonderful," states Jane. "I thank the city councilors and the school committee for working so hard."

Lake Street School has plenty of company these days. All around Maine, schools are deteriorating

— victims of slashed budgets in a tight economy.

A new federal survey ranks Maine 12th highest in the country when it comes to schools reporting building problems. More than a third of Maine's public schools are in serious need of repair, the study says.

Thirty-eight percent of the schools responding to the survey reported at least one inadequate building. Six out of 10 noted one or more deteriorating feature such as roof, foundation, windows, plumbing, heating or electricity. Seventy percent reported inferior lighting, ventilation, acoustics or other environmental factors.

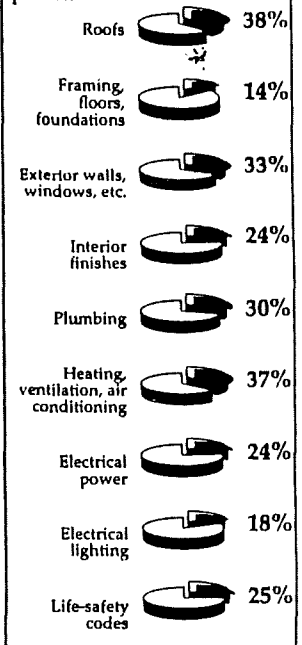
While state educators have yet to review the figures, "I wouldn't doubt them at all," conceded Maine State Board of Education chairwoman Marjorie Medd. "One of the first things to go in a tight school budget is maintenance."

In Augusta, there are 60 requests for major school construction projects pending, most the result of long-term neglect. The state is able to handle just three year, according to Bill Miller, construction specialist with the Department of Education, which is planning its own school building survey.

Applications high on the list include new schools for Poland, Franklin and the Camden area.

Maine schools' shortcomings

Percentage of Maine's schools with inadequate features, according to the U.S. General Accounting Office's state profile:



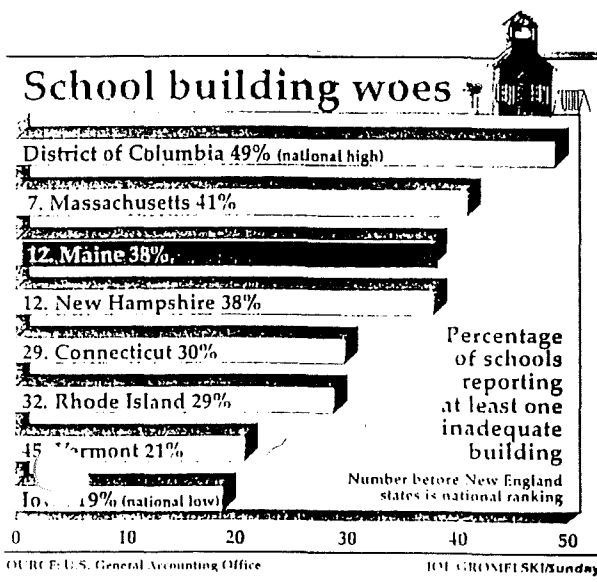
JOE GROMELSKI/Sunday

Lower down is two-room wooden Hebron Elementary School, built right on Main Street in the 1920s, which suffers from numerous problems, not the least of which is location.

"We've had an application in for five years for a new school but we never made it high enough on the approval list, and it looks like we won't be getting one anytime soon," said Cathy Fanjoy, business manager for SAD 17.

So the school, on a lot too small

See CRUMBLING, page 4B



And so goes the nation

WASHINGTON (AP) — Schools are crumbling not just in big cities but in small towns and in the suburbs too, says a congressional study. It documents a need to patch roofs, fix plumbing and make other repairs at schools nationwide.

"It's not just a problem for poor children, or for minority children. Crumbling schools are everywhere," said Sen. Carol Moseley-Braun, D-Ill. "It is an American problem, and it relates directly to our future ability to maintain the quality of life Americans expect."

On Tuesday, Ms. Moseley-Braun released the last in a series of reports by the General Accounting Office, the investigative arm of Congress, on conditions in the nation's 80,000 public schools.

Based on a nationwide survey of 10,000 schools last year, the GAO estimated a cost of \$111 billion to repair or upgrade schools. This earlier report said about one-third of these schools, serving about 14 million pupils, needed extensive repair or replacement of one or more buildings.

The latest document speaks of school building problems in every region, state and type of community in the nation. Thirty-eight percent of schools in big cities, 30 percent in rural areas and 29 percent

in the suburbs report at least one inadequate building.

After passing the Education Infrastructure Act of 1994, Congress approved grants totaling \$100 million to build, repair and renovate school buildings, but the funds were eliminated last year in budget-balancing deals.

On Tuesday, Rep. Nita M. Lowey, D-N.Y., offered an amendment to the Appropriations Committee to make available to states up to \$150 million for school repair nationwide. The amendment failed on a 30-11 vote, but Ms. Lowey said she will offer it next week on the House floor.

"We simply cannot prepare America's children for the 21st century in 19th-century schools," Ms. Lowey said. "Students cannot learn when the walls of their classrooms are crumbling down around them. We can't teach computer technology next to coal-burning boilers."

Offering federal grants to bolster school repairs is not likely to be embraced by majority Republicans in Congress who argue against top-down federal education spending, preferring local bond issues for

See SCHOOLS, page 4B

Schools from 1B

school projects.

According to the +GAO+ report, the United States west of Colorado has the highest percentage of schools needing repair. It showed:

- 38 percent of schools in the West report inadequate buildings, compared with 31 percent in the Midwest and South, 30 percent in the Northeast.

- 64 percent of schools in the West report substandard building features, compared with 59 percent in the Northeast, 57 percent in the Midwest, 53 percent in the South.

- 68 percent of schools in the West report faulty environmental conditions, compared with 57 percent in the Northeast and Midwest, 54 percent in the South.

Dick Van Der Laan, a spokesman for the Long Beach Unified School District, gives his district's experi-

ence as an example of the national problem.

California voters passed a \$2 billion bond issue this spring to repair, renovate and build schools statewide. The Long Beach's district's \$27.9 million share will be used to start building a new high school, renovate six elementary schools built before the mid-1950s and overhaul Wilson High School, built in 1926. Even after that work, the district faces a backlog of more than \$50 million in maintenance at about 50 other schools.

In the District of Columbia, spokeswoman Beverly Lofton said the average age of the district's 157 schools is 75 years. An estimated \$1.2 billion is needed for repairs of shortcomings that include leaky roofs, rundown boilers and faulty electrical wiring.

"We're under court order for fire code problems," Ms. Lofton said. "The little capital improvement money that we've salvaged from

previous budgets has gone to do that."

The New York City Commission on School Facilities recently said in a report cited by Ms. Lowey that 270 city schools need roofs, more than half the city's schools are more than 55 years old and one-fourth still have coal-burning boilers. The report estimated the bill to fix New York City's schools will run to \$17 billion in the next seven years.

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CRUMBLING SCHOOLS

Maine schools deteriorating in tight economy

By SUSAN RAYFIELD
Sunday Staff Writer

AUBURN — The ceilings leaked, the rugs were threadbare, hot water scalded the kids, and the furnace overheated on a regular basis. Fed up with conditions at Lake Street Elementary School, parents Jane and Joel Lafleur decided to do something about it.

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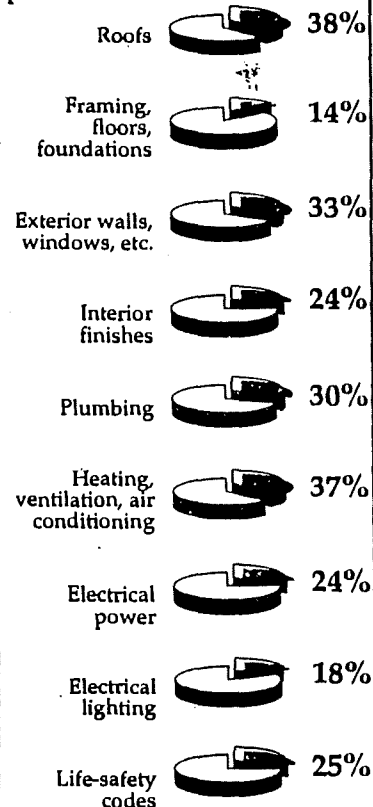
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JOE GROMELSKI/Sunday

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C. umbling from 1B

to expand, continues to make do without a library or a lunchroom. With no parking space or room for a decent playground.

In Auburn, Fairview and Sherwood Heights elementary schools are replacing leased space. Leavitt High School, in Turner, is seeking major renovations to keep up with fire code regulations, according to Miller. Two years ago, Bridgton Elementary School closed and put its kids in a temporary building until ventilation in the original structure could be improved.

Schools in the worst condition, in Miller's eyes, are the junior high in Corinna, a "multi-story wooden fire trap," Stonington Elementary School, and the school in Veazie, "a real dump."

Repairing aging schools is the responsibility of the town or district, although state education subsidies indirectly compensate for some of those costs if they are expenses within the school department's budget. New construction for state-approved projects is paid by a combination of local and state money.

Currently, however, the total state school subsidy cap for new construction is \$67 million. "The demand for construction well exceeds that," Miller acknowledged.

Repair costs, meanwhile, are limited by a town's or district's desire to raise the money locally from taxpayers. In recent years, desire has often only been great enough when children's safety was significantly jeopardized. "Deferred maintenance is one of the issues the state board needs to look at," commented Medd. "Corners are cut until something really bad can happen."

Having a plan

For a number of municipalities, the best hope is a capital improvement plan and budget, if taxpayers will fund it.

For instance, last year the Lewiston School District spent \$342,234 on school repairs and maintenance, 12.5 percent of its total budget of \$27,308,581.

As with Auburn, a capital improvement plan saved the day in Lewiston.

Last year, city councilors approved \$610,000 for re-

pairs that would have been done otherwise, according to Lewiston Assistant Superintendent James Tracy.

They include a new roof at Lewiston Middle School, oil tank replacements at McMahon and Pettengill elementary schools, new windows at Martel Elementary, and floor tile replacement and improved handicap accessibility at Montello Elementary.

But as it is, a lot of school windows won't get fixed, along with walkways, playgrounds, paving and grading.

Another \$350,000 would go a long way, Tracy noted.

"We've been fortunate," said Tracy, who is as grateful as Auburn's Jane Lafleur for the help. "If it hadn't been for our capital improvement program we'd be in desperate straits right now."

"All the big-ticket items — roofs, energy retrofitting, boiler and electrical upgrades — have been approved through the capital improvements program. If not, they would be bankrupting the schools, and we'd be in the same condition as the rest of the country."

While the Lewiston school committee has been "very receptive to maintaining our building," said Montello Principal Thomas Hood, the 32-year-old school still shows signs of wear and tear. Hood has concerns about the future.

"For the first time since I've been here, 13 years, there will be no summer painting," Hood said.

This year the principal asked for \$33,544 in repairs and maintenance, but expects to be funded at closer to \$20,000. That means repairs to doors, locks and handles will be eliminated, and money will be cut back for pest control, electrical and plumbing fixes.

"We need some new outside lighting and poles," Hood said. "Steam vacuuming of rugs will not be done." Linoleum covering schoolroom shelves is cracking and brittle, but that won't be replaced next year either.

No money is available for emergencies. "Let's hope nothing major happens," said Hood.

Last year the hot water tank broke, which cost \$40,000 to replace.

Medd and other school experts recognize the seriousness of the situation.

"We know that school renovations have been placed on hold, and for a long time there have been insufficient funds for new construction," she said. "The state board will be looking at both issues this year."

SCHOOLS

Continued from Page 1B

construction.

"I think it will open some eyes," Ayer said.

Kathy Seavey's eyes are already wide open, and she doesn't like what she sees. One of her sons recently graduated from the junior high school in Corinna, and another son will enter the eighth grade this fall.

The school was built in 1853. It has tilted wood floors that are a fire hazard. The joists that support the floors are rotting. There is no cafeteria, no gymnasium and no science lab. It will serve about 90 students this fall.

"It's terrible," said Seavey. "It has nothing that makes it a school except for teachers. It would make a lovely restaurant, but it's not in any way suitable for a school."

School Administrative District 48 applied to the state for money to build a new junior high school in Corinna to serve both Corinna and Newport, where the junior high is severely overcrowded.

The project was one of 53 competing in the annual battle for state funds. Bill Millar, head of the state's school construction program, evaluates each project in various categories, including current and projected overcrowding, the age and condition of buildings, and whether buildings lack essential facilities such as gyms or libraries.

The Corinna proposal ranked fourth out of 53, a good ranking but not high enough to get state aid.

William Braun, the district superintendent, said he will appeal the ranking.

"All the buildings I have are in rough shape," Braun said. "I think I have something to scream about."

He's not alone. School officials all over the state are screaming about the lack of available state money, as well as perceived inequities in the rating process.

"The problem is so acute that something has to change," said Ken Smith, project administrator of a proposed new high school in the Camden-Rockport area.

Only the top two projects on the state list, the Falmouth high school and an addition to an elementary school in Readfield, are in line for funding. The projects are expected to be placed on a protected list next year, which would set them up for funding in 1999.

But there's a chance no money will be available in 1999. Money is scarce because state funding for school construction has not increased since 1993.

The state funds school construction projects by issuing bonds. For example, last week the state Board of Education approved building a \$22 million high school in South Berwick. The state will pay for the project by borrowing the money and repaying it for 20 years at a rate of about \$2 million a year.

That \$2 million gets added to the debt payments the state is making for other school construction projects, some of which date back to the late 1970s. The total annual debt payments for all school construction projects cannot exceed \$67 million, a limit set by the Legislature.

That debt ceiling has remained the same since 1993, and will stay at \$67 million through 1998. This year the Legislature voted to raise the ceiling to \$69 million in 1999 and to \$70 million in 2000. But some state education officials said that's too little too late.

"We're not retiring enough debt to make room for the new projects," Bill Millar said. "We are in a bind."

CONSTRUCTION DEBT

One reason the number of schools needing construction aid has increased in recent years is that the state has not increased the amount of money it spends on school construction. Construction is funded by bonds.

Here is the amount of debt the state has been willing to take on in recent years:

1989-90.....	\$48 million
1990-91.....	\$57 million
1991-92.....	\$65 million
1992-93.....	\$67 million
1993-94.....	\$67 million
1994-95.....	\$67 million
1995-96.....	\$67 million
1996-97.....	\$67 million
1997-98.....	\$67 million
1998-99.....	\$69 million
1999-00.....	\$70 million

The projects from the 1970s that we are taking off the list are much smaller than the projects we have to add to the list."

The state already has \$68.1 million in debt to pay off in 1999, leaving only \$900,000 for new debt on new projects, such as the Falmouth high school and six other projects already in line ahead of it from past years.

With so little room, the state has reduced the number of projects it funds.

Before 1994, the state added at least three schools a year to its "protected list," guaranteeing them funding within a few years. No schools were added to the list last year or this year. Only two, presumably Falmouth and Readfield, will be added next year.

James Rier Jr. is one of the people leading the effort to relieve the school construction logjam. A member of the state Board of Education, he will chair the group of legislators and others convening July 31 to look at potential reforms. The group is scheduled to report its conclusions to the Legislature's Education Committee in December.

Aside from the idea of requiring a minimum contribution from school districts, the group will consider new criteria for rating projects. It will also consider giving schools higher ratings for projects that reduce costs by consolidating two or more schools in one building.

One of Rier's biggest challenges is to get the group to rise above regional politics that have bogged down past reform efforts. For example, many of the larger school districts of southern Maine favor requiring a minimum contribution. Under the current formula they already must contribute as much as 77 percent of the project.

The smaller, poorer school districts of northern Maine oppose the measure, because they usually have to contribute little to construction projects. They say they couldn't afford to contribute any more.

"There has to be a more effective use of the system than we have now," Rier said. "Hopefully we can put politics aside and do what is good for kids."

Sen. Small said she thinks the solution to the state's school construction woes is simple — more money.

She said she knows the state budget is tight, but she wants the Legislature to consider increasing funding in its next session.

"A lot of the problems just stem from the fact that there isn't enough money to go around," she said.

Our view

Editorial

Wednesday, July 31, 1996

Fixing formula just a start (B,D,N)

When Auburn schools applied for state assistance to build an addition on to Edward Little High School in 1994, state officials said the need for space was not urgent enough.

Much of the overcrowding at EL was projected and, thus, did not fit the criteria for immediate needs. As a result, students from schools in Minot, Mechanic Falls and Poland, who had been attending EL under long-term tuition agreements, were forced to find other high schools to attend. The change has been disruptive for the Union 29 students attempting to cope with all the pressures of adolescent academia.

Moreover, the change will be expensive for taxpayers.

Auburn education officials were anticipating the need for additional classrooms based on solid projections from student enrollment in lower grades. But because the overcrowding was not at an immediate crisis stage, Auburn did not rank high enough to obtain state construction funds.

Now that the decision has been made to build a new high school in Poland and the Legislature has vowed to fund most of the project (via an emergency bill), the state has committed to spending more money than the original EL project would have required.

One reason the state will end up spending more money than needed is the formula the state Board of Education uses to determine construction project eligibility. A wide range of criteria is considered in ranking projects, and immediate needs and safety are paramount.

Because so many schools have genuine needs and the current cap on construction spending is only \$67 million, the majority of worthy projects sit on a waiting list.

A move to revise the prioritizing formula begins in earnest Wednesday when a group of lawmakers and education officials meets to discuss the possibilities. Among the proposals are requiring a minimum local contribution from school districts, giving credit for projects that consolidate schools and mandating cost comparisons between new construction and renovation.

All of these changes would help to ensure that deserving school construction projects would get fair consideration. But in many cases, such as the proposed EL addition, unless the state is willing to substantially increase the funding for school projects, the underlying reason for overcrowding and poor facilities will not be addressed.

Maine voters have made a concerted commitment to improving the infrastructure of roads and bridges through an ongoing series of bond issues. Perhaps it's time to consider improving the state's education infrastructure through increased bond offerings.

Digest 82 -- May 1993

Deteriorating School Facilities and Student Learning

by Linda M. Frazier

In many American schools, students and teachers find themselves in a physical environment that adversely affects their morale, and, in some cases, their health. Although hard evidence is scanty, a few studies also indicate that when a school building is in disrepair, student achievement suffers.

School systems often reluctantly elect to postpone repairs and delay construction of new facilities to save money during periods of financial austerity. Making cuts in these areas, while unpalatable, is considered less devastating than slashing academic programs.

The fallout of such decisions, however, is that the condition of school facilities in the U.S. is rapidly failing. A recent national survey conducted by the American Association of School Administrators found that 74 percent of school facilities should be replaced or repaired immediately; another 12 percent were identified as inadequate places of learning (Hansen 1992).

To address a situation that is literally deteriorating, principals, superintendents, school business officials, school boards, and others are beginning to pursue innovative, grassroots solutions to the many challenges associated with maintaining school facilities.

Why Is the Infrastructure Crumbling?

Constitutionally, education is the state's responsibility, whereas school facilities are generally the local district's responsibility. State and federal mandates for educational programs and environmental safety are almost never accompanied by funds needed to implement them. These mandates place a financial burden on local districts. In most cases, districts must rely on taxpayers' ability or willingness to help meet capital expenses. This results in glaring inequities in school environments among districts in the same state (Lewis 1988).

States, facing their own budget shortfalls, have been unable to offset school districts' mounting financial needs. In 1991, thirty-seven states were affected by budget shortfalls. In times of austerity, maintenance costs are often slashed first. The consequences of electing to defer maintenance include premature building deterioration, indoor air problems, increased repair and replacement costs, and reduced operating efficiency of equipment. The price tag for deferring maintenance has quadrupled in eight years, from \$25 billion in 1983 to \$100 billion in 1991 (Hansen). Rising energy costs have also cut into the maintenance budget. When utility costs exceed the budgeted amount, 40 percent of districts in the nation report using funds earmarked for maintenance to meet energy-related expenses (Hansen).

The problems with school facilities are unevenly distributed across the nation. Although the best facilities built in the 1980s far exceed anything in the past, most children will never attend these schools. And thousands of school districts will continue to face serious facilities problems because of erratic data collection and variance in state involvement in planning and financing school facilities (Lewis).

Do School Facilities Provide an Environment Conducive to Learning?

It has been firmly established that people are influenced and affected by their environment. Children

exposed to the environmental conditions in school facilities are no exception. Deferred maintenance can create an environment of peeling paint, crumbling plaster, nonfunctioning toilets, poor lighting, inadequate ventilation, and inoperative heating and cooling systems. This, of course, affects both the health and the morale of staff and students.

Most alarming is the effect of poor indoor air quality on school-age children. Research indicates that the quality of air inside public school facilities may significantly affect students' ability to concentrate. The evidence suggests that youth, especially those under ten years of age, are more vulnerable than adults to the types of contaminants (asbestos, radon, and formaldehyde) found in some school facilities (Andrews and Neuroth 1988). It is unreasonable to expect positive results from students, teachers, and principals who daily work in an adverse environment.

In its report on the condition of urban schools, the Carnegie Foundation for the Advancement of Teaching found that those schools are under-funded, morale is low, facilities are decaying, and the dropout rate remains high year after year. Other crises--a flood, health epidemic, a garbage strike, or even snow removal--would generate emergency intervention, the foundation suggests. But the condition of urban schools is met with calm acceptance (Carnegie Foundation for the Advancement of Teaching 1988).

Does the Condition of School Facilities Affect Student Achievement?

The relationship between student achievement and building facilities, while assumed, has not been rigorously studied. In most of the literature the rationale for repairing and refurbishing school buildings is to protect the local government's capital investment, not to protect students or to provide an environment for optimum learning.

The hypothesis that there is a correlation between student achievement and building conditions was tested in the Washington, D.C., school system. After controlling for other variables, such as a student's socioeconomic status, Edwards (1991) found that as a school's condition improved from one category to the next--for example, from poor to fair--students' standardized achievement scores rose an average of 5.45 percentage points. If a school improved its condition from poor to excellent, an increase of 10.9 percentage points in average achievement scores could be expected, Edwards claims.

The Saginaw Schools Project is another study that noted the relationship between student achievement and building facilities. Guided by the belief that schools can influence and control variables that contribute to school learning, the Saginaw Public Schools launched a "grassroots" project involving thirty-one schools. A School Improvement Survey was administered to the staff of each school. Survey results were used by building staff to identify and then solve problems. Goals listed in each school building plan were attained at a 70 to 100 percent level. Goals related to student achievement in reading and mathematics were also encouraging. During the five-year project, student achievement in both math and reading rose in the highest achievement category and dropped in the lowest achievement category (Claus and Girrback 1985).

How Will We Meet Tomorrow's Challenge?

Billions of dollars are needed to refurbish school facilities, fund new construction, accommodate changing programs and philosophies, and bring schools into compliance with safety regulations. This challenge can only be met if federal leadership is forthcoming. Legislation such as the Higher Education Facilities Act of the 1960s provided facilities to accommodate the influx of students at colleges and universities after World War II. Our invaluable network of community colleges also would have been impossible without

such legislation. The same level of commitment must be directed toward overhauling our nation's public school facilities (Carnegie Foundation for the Advancement of Teaching 1988).

Local districts would also benefit from state involvement in data collection and facilities planning. The availability of statewide information and analyses would enable policy-makers to focus on priorities and anticipate a need for increased funding or a change in funding strategy. In addition, every state department of education would benefit from having a school facilities planner. At present the number of facilities planners in state departments of education varies widely. Of thirty-eight states surveyed by the Educational Writers Association, thirteen had one or fewer employees responsible for building facilities. At the other extreme were Florida with fifty-five facilities planners, Georgia with twenty, New York with eighteen, and Maryland with sixteen (Lewis).

To avoid repeating past mistakes, those responsible for planning school facilities should consider flexibility in architectural design. If student enrollment drops significantly, design flexibility allows schools, or parts of school buildings, to be used by other social service agencies.

What Do We Do in the Meantime?

Until more funds become available at the state and federal levels, improvements will be achieved through local efforts. Parent involvement appears to positively affect the condition of school buildings. Edwards found a statistically significant relationship between the PTA budget per pupil and the overall condition of the school building in Washington, D.C., schools. The PTA can influence the condition of the building in various ways. Members can exert pressure on local officials to obtain funding from the city, volunteer time to improve the situation, or support a political candidate or educational measure (Edwards).

Some school districts have used bond measures to obtain funding from local taxpayers. A district's success in passing bond measures will depend largely on how effectively the district communicates its needs to local taxpayers. Without firsthand knowledge of the district's pressing needs, taxpayers will likely consider the request unnecessary.

Performance contracting is a technique some districts have used to refurbish a building facility. The Phoenix Union High School District, for example, formed a partnership with a private firm that offered financing and expertise in energy efficiency. The district received a substantial renovation program, and future energy savings over a ten-year period will pay for all the costs (Hansen).

When the need to restructure education is discussed, there is often no mention of improving the physical site of learning. However, failure to repair and remodel educational facilities may offset benefits derived through restructuring the instructional program. This underscores the need for commitment at local, state, and federal levels to upgrade school facilities.

RESOURCES

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Carnegie Foundation for the Advancement of Teaching. *An Imperiled Generation: Saving Urban Schools*. Princeton, New Jersey: Author, 1988. 78 pages. ED 293 940.

Claus, Richard N., and Charmaine J. Girrback. "An Assessment of the Saginaw Successful Schools Project: A Look at the Data." Paper presented at the Joint Meeting of the Evaluation Research Society

and the Evaluation Network, Toronto, Canada, October 17-19, 1985. 29 pages. ED 264 285.

Edwards, Maureen M. "Building Conditions, Parental Involvement, and Student Achievement in the D.C. Public School System." Master's Thesis, Georgetown University, May 1991. 100 pages. ED 338 743.

Hansen, Shirley J. *Schoolhouse in the Red. A Guidebook for Cutting Our Losses. Powerful Recommendations for Improving America's School Facilities.* Arlington, Virginia: American Association of School Administrators, June 1992. 47 pages. ED 347 697.

Lewis, Anne, and others. *Wolves at the Schoolhouse Door. An Investigation of the Condition of Public School Buildings.* Washington, D.C.: Education Writers Association, June 1989. 64 pages. ED 306 660.

MAINE PACKERS, INC.

MEMORANDUM

DATE: 8/27/96

TO: School Construction Study Group

FROM: Andy Ayer

RE: Comparison of Other State's Construction Assistance Program

Please find attached summaries of school funding and rating systems used in other states. This summary is sourced from a report prepared for the Idaho School Facilities Needs Assessment Committee in 1992.

You will note the various ways monies are raised for school projects and the way rating systems are used to address issues deemed as priorities by policy makers.

I will forward additional information from other states to you as it comes in.

5. Review of Ted's meeting with other New England state school construction administrators (N.E.S.D.E.C. office, Sudbury, MA., April 20, 1995)

a. Site size requirements:

- 1) MA and CT - 10, 15, 20 acres + 1 acre for each 100 students (waiver available and generally used for urban school sites);
- 2) NH and VT - 5, 10, 15 acres + 1 acre for each 100 students (same as Maine; waiver used sparingly);

b. Space allocation:

- 1) MA - maximum instructional space for elementary, middle and high school set by regulation; additional space at local expense;
- 2) CT, NH, VT - space allocation by student enrollment, negotiated on a project-by-project basis

c. Funding:

- 1) MA - All applications accepted and recommended by Department to Legislature; construction costs limited by Legislature (revised each year through recommendation of Department); state subsidy set by law (adopted in 1988, ranging between 50% and 90%, subject to change for specific projects by Legislature); state subsidy is part of aid to education; subsidy payment now approximately 3-4 years behind approval (local funding until state subsidy kicks in);
- 2) CT - All applications accepted and recommended by Department to Legislature; state subsidy funded through annual sale of state bonds;
- 3) NH, VT - Application screened by Department (VT, approval by State Board); emphasis is on consolidated school units; state subsidy part of general purpose aid to school units.

6. Discussion with Connie Goldman, Superintendent, Cape Elizabeth:

- a. Expressed support for School Facility Inventory recommended in Rosser Commission report; need for good data about

WEST VIRGINIA

Each district (one in each of the 55 counties) has been placed into a Regional Education Service Agency (RESA) district (total of 8). Each district submits their ten-year Comprehensive Educational Facilities Plan (CEFP) to the RESA for approval of individual projects. Each regional plan prioritizes all projects both within a district and among the districts. In prioritizing the projects, each RESA makes determinations in accordance with the objective criteria formulated by the School Building Authority (SBA). Counties are funded as follows:

- 48.5% allocation on a per student basis;
- 48.5% allocation on a priority needs project basis; and
- 3.0% allocation to state-wide projects (i.e. vocational/technical centers).

Administering agency: School Building Authority

Current appropriation: \$21,444,493 (1991-92 FY)

Funding source(s): 50% of the funds which accrue due to an increase in local share (assessed valuation on real estate)

Local matching ratio: None - state-sponsored program

Eligibility criteria: All districts are eligible. However, each RESA must submit a region-wide ten-year CEFP that addresses the facilities needs of each county within the RESA. Any county board that fails to expend the grant money within three years of the allocation forfeits the allocation and therefore shall be ineligible for further net enrollment or other allocations until that county board is ready to expend the funds in accordance with their CEFP. Any forfeited amount is added to the total funds available for allocation and distribution in the next fiscal year.

Priority factors and weights:

Prioritizing by RESA. A district's facility plan must address how the proposed project will further the following goals of quality education.

- Student health and safety
- Economies of scale, including compatibility with similar schools that have achieved the most economical organization, facility utilization and pupil-teacher ratios (i.e. downsizing to adjust for enrollment loss)
- Reasonable travel time and practical means of addressing other demographic considerations
- Multi-county and regional planning to achieve the most effective and efficient instructional delivery system
- Curriculum Improvement and diversification, including computerization and technology and advanced senior courses in science, mathematics, language arts, and social studies

WASHINGTON

Washington's program provides matching funds for instructional and instructional support space to eligible school districts based upon State Board of Education priorities with matching based on the districts' assessed property values. A new priority system is currently under review by the State Board of Education.

Administering agency: Superintendent of Public Instruction/Board of Education

Current appropriation: \$410,000,000 (1991-93 biennium)

Funding source(s): Timber sales from state school trust lands, General Fund and General obligation bonds

Local matching ratio: 10 - 80%

Eligibility criteria: Unhoused students with unavailable suitable school facilities in contiguous school districts. In addition, modernization of eligible space in excess of 20 years of age is considered for eligibility.

Priority factors and weights: The current priority system allocates funds, in order, to districts:

1. With unhoused students for construction of new school facilities.
2. With condemned educational facilities
3. For modernization of existing school facilities.

All instruction and support space are weighted equally.

A new priority system is presently under consideration by the State Board of Education which places all eligible projects on a one-tiered priority system. Projects receive weighted scores based on:

- the type of space to be constructed or modernized;
- cost/benefit ratio;
- unhoused students (in the case of new construction); and
- condition of facilities (in the case of modernization).

Source(s) of local matching and type of majority vote required: The district's local share comes from school construction bond issues and requires a 40% turn out of the number of voters in the previous general election in addition to a 60% majority vote.

NEW MEXICO

New Mexico has not responded to our request for information. However some tentative information is available from other sources.

New Mexico's program only provides grant assistance to districts without local resources.

Administering agency: Department of Education

Current appropriation:

Funding source(s):

Local matching ratio:

Eligibility criteria: Only districts without local resources are eligible.

Priority factors and weights: Projects are evaluated using the following priorities:

1. Unhoused students
2. Program deficiencies cited by state accreditation
3. Flagrant code violations and provisions for handicapped access

MASSACHUSETTS

Massachusetts' districts must borrow for 100% of project cost. The district is then reimbursed for the Commonwealth's share. In order to apply for a grant, the district must file a long-range educational plan and facilities needs assessment with the Department of Education (DOE).

Administering agency: Department of Education

Current appropriation: \$145,000,000 (1991-95)

Funding source(s): State tax revenue

Local matching ratio: 10 - 50%

Eligibility criteria: All districts are eligible.

Priority factors and weights: Projects are evaluated using the following priorities:

A. Category 1 Projects:

1. Ensure health and safety
2. Implement court-ordered racial balance plans
3. Implement Board-approved and voluntary racial balance plans

Projects are further reviewed to determine if:

- a. facilities are defined in racial balance plan;
- b. overcrowding exists in addition to racial imbalance; and/or
- c. accreditation is in jeopardy or deficiencies exist.

B. Category 2 Projects:

1. Alleviate existing overcrowding
2. Prevent overcrowding from increasing enrollments
3. Provide full-range of educational programs and maintain full accreditation

Projects are further reviewed to determine if:

- a. overcrowding coexists with accreditation deficiencies;
- b. overcrowding can be demonstrated;

MARYLAND

Through the use of an Interagency Committee (IAC), Maryland's school districts receive planning approval in an approved annual capital improvement program or amendment. Project approval, however, cannot be interpreted as a guarantee of construction funding. Although each school district establishes priorities for its local capital program in an educational facilities master plan, these priorities are evaluated with respect to other projects in the state.

Administering agency: Public School Construction Program

Current appropriation: \$66,000,000 (1991-92 FY)

Funding source(s): Bonds

Local matching ratio: 25 - 50%

Eligibility criteria: All districts are eligible. However, all projects must have IAC planning approval in an approved annual capital improvement program or amendment.

Priority factors and weights: The following priority classifications are based upon project type:

1. New Construction: Projects to construct new schools or additions to existing schools for the purpose of providing instructional space for significant additional student capacity. Within this priority category, preference is given, as applicable, to basic instructional spaces, such as classrooms and laboratories. Auxiliary gyms, swimming pools and auditoriums, as part of this type of project, may be separated as an add alternative, and may be deleted, depending upon available funds.
2. Renovation (building in use more than 40 years): Projects to replace or renovate all or parts of existing schools that have been in use for more than 40 years, where the purpose is not to provide significant additional capacity. Enrollment data must support the project. Auxiliary gyms, swimming pools and auditoriums, as part of this type of project, may be separated as an add alternative, and may be deleted, depending upon available funds.
3. Renovation (building in use more than 25 years): Projects to add to or to renovate all or parts of existing schools that have been in use for more than 25 years, where the purpose is not to provide significant additional capacity. Enrollment data must support the project. This category does not include the "limited use" additions or renovations described in category 5.
4. Renovation (building in use 15 to 25 years): Projects to add to or to renovate all or parts of existing schools that have been in use for more than 15 years, where the purpose is not to provide significant additional capacity. Enrollment data must support the project. This category does not include the "limited use" additions or renovations described in category 5.

KENTUCKY

Kentucky has two programs. In the first, the state funds \$100 per child and equalizes (up to 150%) the local tax of \$0.05/\$100. The second program, which is a voluntary program, is described below. Of the districts involved in the latter program, 75 to 80 percent receive close to 100 percent of their funding request.

In order to participate in the voluntary program, each district must file a facility plan with the Department of Education (KDE). Each eligible district is then offered sufficient funding to finance construction of the portion of its unmet need. The district's allocation is computed by applying the ratio of available state funding to total unmet need statewide to the total unmet need of the district.

Administering agency: School Facilities Construction Commission

Current appropriation: \$13,542,800 (1990-92 biennium)

Funding source(s): General fund

Local matching ratio: Varies based on the financial ability of the district

Eligibility criteria: The district must have a minimum \$100,000 unmet need. The financial eligibility requirements are:

- cash from capital outlay account (\$110 per child),
- cash from special voted building account,
- bonding potential of the capital outlay funds, and
- surplus in excess of 10% of general fund budget as of June 30 of the year prior to the legislative session.

Cash amounts must be escrowed for the offer of assistance, plus any bonding potential which may be available to that district at the same date. The cash amounts are escrowed in order to dedicate these funds to the capital projects.

Priority factors and weights: There are no factors and weights; however, the offers of assistance must be spent in accordance with the district's #1 priority of the facility plan prepared with the state's assistance through KDE.

Source(s) of local matching and type of majority vote required: A district's local matching or eligibility financing requirements come from the capital outlay account, the special voted building fund, or the general fund monies. There is no required vote by the people in the school district.

Use of space standards: The annual School Facilities Manual prepared by the State Board for Elementary and Secondary Education provide extensive and elaborate planning standards for new facilities as well as accreditation building criteria for existing facilities.

ILLINOIS

Illinois provides two types of grant entitlements under the Capital Assistance Program. In addition to the construction grant entitlement described below, the state also provides entitlement for debt service. In order to be eligible for a debt service grant entitlement, the district must have an approved district facility plan on file with the State Board of Education and must have issued and sold bond for capital improvement after January 1, 1969. Approval for the same project under each type of entitlement is not permitted.

While Illinois has not provided construction grants since 1980, an eligibility system is in place which provides minimum enrollment and maximum space standard guidelines for new facilities and new additions to existing facilities. Additionally, guidelines exist for the remodeling/rehabilitation of current facilities.

Administering agency: State Board of Education (SBE)

Current appropriation: \$0 (1991-92 FY)
Last appropriation: 1980

Funding source(s): General fund

Local matching ratio: 30 - 80%

Eligibility criteria: The district must complete the following requirements to be eligible for a construction grant:

- An approved District Facility Plan is on file with SBE.
- A definable project has been set forth in the District Facility Plan.
- The priorities for financial assistance (as described in the next section) have been met.
- The selection of sites gives maximum effect to all federal and state statutory and administrative requirements.
- The project complies with Title IX.
- Minimum enrollment requirements have been met.

Priority factors and weights: Grants are awarded in the following order:

First Priority - Emergency

1. Replace or rehabilitate facilities substantially damaged by natural or emergency conditions.
2. Contribute to elimination and prevention of segregation.

Second Priority - Health/Life Safety

GEORGIA

Georgia's program emphasizes local facilities plans, the use of an up-to-date room-by-room inventory and needs assessment conducted locally with technical support from state consultants. In 1986, a law was implemented which recommended district grade organizational patterns and base sizes. As an incentive, districts are provided advance funding to meet these recommendations. Many districts are in the process of closing and merging schools.

In order to receive its entitlement, each district must file a long-range facility plan with the Department of Education (DOE) every five years. The district's entitlement is computed by applying the ratio of available state funding to total unmet need statewide to the total unmet need of the district. The entitlement request must not exceed the district's annual entitlement plus any accumulated entitlements remaining from previous years.

Administering agency: Department of Education

Current appropriation: \$173,000,000 (1991-92 FY)

Funding source(s): Bonds

Local matching ratio: Varies based on the wealth of the district (approximately 10-25%)

Eligibility criteria: All districts are eligible. However, in order to participate, each district has an approved long-range facility plan on file with the DOE. The entitlement request must not exceed the district's annual entitlement plus any accumulated entitlements remaining from previous years.

Priority factors and weights: Projects are not prioritized at the state level. Each school district prioritizes their projects in the long-range facilities plan.

Source(s) of local matching and type of majority vote required: Local funding is provided through bonds which require a simple majority vote.

Use of space standards: Extensive and elaborate square footage requirements are provided for use in developing the local facilities plans. These requirements are used in calculating existing capacity and in planning for new facilities.

Periodic needs assessment: A required needs assessment, which is completed every five years and updated annually, includes building condition information and square footage needs. The assessment is conducted by the individual school districts and certified by an architect, who includes accurate cost information.

Data processing system for the program: The districts' long-range facility plans, including the building condition information are maintained on hard copy only.

FLORIDA

Florida has one of the more comprehensive state-level programs. The Department of Education (DOE) maintains an extensive formula-based system to allocate state funds. Although the facility survey, which is conducted once every five years for each district, is independent of funding, it dictates what can be built. All projects for the district must be recommended during the survey. If a district has met all of its capital outlay needs, as determined by the survey, it may request approval to spend the funds for purposes other than capital outlay. The request must give priority to providing custodial care for buildings and grounds and to purchasing instructional supplies and equipment.

Administering agency: Department of Education

Current appropriation: \$525,985,578 Public Education Capital Outlay (PECO)
+ 76,427,307 Capital Outlay & Debt Service (CO&DS)
\$602,412,885 (1991-92 FY)

Funding source(s): Utilities tax (87%)
License tag fees (13%)

Local matching ratio: Project oriented; 59% of capital outlay needs are funded locally (1991-92)

Eligibility criteria: All districts are eligible. The level of funding from each source (PECO, CO&DS) is determined as follows:

- **PECO Funds**
These funds are distributed on a formula basis for:
 - maintenance, renovation and site improvements based on total gross square feet and age of the building, amortized over 50 years; and
 - new construction, which is allocated based on the FTE student population of the district four years ago (40%) and growth over the next four years (60%).
- **CO&DS Funds**
These funds are distributed on an instructional unit (23 FTE) basis.

Priority factors and weights: The priority factors differ for each source of funding (PECO, CO&DS).

CONNECTICUT

Control of Connecticut's schools rests with the local school boards. The Department of Education reviews the projects for code conformance and compliance with the Table of Net Area Recommended Ranges. All school construction projects are subject to state legislative approval on an annual listing, except for those projects dealing with correction of code violations. The state grant is paid to the districts over the same time period as the local bond issue.

Administering agency: Department of Education

Current appropriation: \$148,000,000 (1991-92 FY)

Funding source(s): General fund

Local matching ratio: 20 - 80%

Eligibility criteria: All districts are eligible. Their projects are placed in one of the following categories.

Category One

Primarily required to create new facilities or alter existing facilities to provide for mandatory instructional programs, for physical education facilities in compliance with Title IX where such programs or compliance cannot be provided within existing facilities, or for the correction of code violations which cannot be reasonably addressed within existing program space.

Category Two

Primarily required to create new facilities or alter existing facilities to enhance instructional programs or provide comparable facilities among schools to all students at the same grade level(s) within the district unless such project is otherwise explicitly included in another category.

Category Three

Primarily required to create new facilities or alter existing facilities to provide supportive services, which do not include swimming pools, auditoriums, outdoor athletic facilities, tennis courts, elementary school playgrounds, site improvements, garages, storage, parking, or general recreation areas.

Priority factors and weights: Projects are not prioritized in rank order but are placed in one of the three categories described above. While Category One is considered top priority, a district may undertake a project in Category Two prior to conducting a project in Category One.

Source(s) of local matching and type of majority vote required: Local matching is provided through bonds which require a simple majority vote.

STATEWIDE SCHOOL FACILITIES NEEDS ASSESSMENT STUDY
COMPARISON OF STATE CONSTRUCTION ASSISTANCE PROGRAMS

ALASKA

Funds are distributed to the Alaska school districts by the Department of Education. Each school district is responsible for the design and construction of the project with minimum oversight from the Department. Although Alaska has a "needs based" school construction program, the state currently does not have the money available to fund projects further down the priority list than the first handful of projects of Priority Type I - Life/Safety. The state does not have any expectation that the needs based ranking will be used as the sole mechanism for allocating funds as grants have been made to recipients named by the Legislature.

Administering agency: Department of Education
Current appropriation: \$30,000,000 (1991-92 FY)
Funding source(s): General fund
Local matching ratio: No local match required

Eligibility criteria: All districts are eligible. All projects are ranked concurrently using the priority factors described below.

Priority factors and weights: Projects are evaluated using the following priorities:

- Priority Type I - Life/Safety
- Priority Type II - Unhoused Students
- Priority Type III - Protection of Structure
- Priority Type IV - Code Upgrade
- Priority Type V - Operational Cost Savings
- Priority Type VI - Functional Upgrade

Appendix A contains the detailed priority factors and weights.

Source(s) of local matching and type of majority vote required: No local match by the districts is required.

EXHIBIT 7

STATISTICS ON STATES WITH A PROGRAM THAT PROVIDES FINANCIAL ASSISTANCE TO LOCAL DISTRICTS FOR SCHOOL CONSTRUCTION (n=32)

State	Dollars Allocated to Local Districts for Const. (FY 94)	Percent Derived from Sale of State Bonds
AK	\$420 million	0
AL	Over \$1 million	No response
CA	\$2.8 billion (92-94)	100
CT	\$153 million	100
DE	\$22.5 million	100
FL	\$322 million	100
GA	\$151 million	100
HI	\$90 million	100
ID	\$7 million (92-93)	0
KS	\$7.4 million	0
KY	\$37.5 million	28
MA	\$159 million	N/A
MD	\$60-75 million	The majority
ME	\$67 million	0
MN	\$26 million	0
MS	\$28 million	0
NC	\$10 million	0
ND	\$5-7 million	0
NH	\$15.5 million	0
NM	\$67 million	63
NY	\$300 million	0
OH	Over \$68 million	100
OR	\$5 million	0
PA	\$200 million	0
RI	\$17 million	0
SC	\$15.4 million	0
TN	50%	0
UT	\$14.9 million	0
VT	30%, 40%, or 50%	30 - 50
WA	\$136 million	40
WI	\$1.6 billion	0
WY	nearly \$8 ml requested	0

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State Board of Education
Machias

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**Governance
Sub-committee**

**Operations
Sub-committee**

**Human Resources
Sub-committee**



State Board of Education

STATE HOUSE
STATION 23
AUGUSTA, MAINE 04333

December 7, 1996

TO: Maine Education Association Board of Directors

FROM: Jim Rier, Chair, Regionalization Committee of the State Board of Education

SUBJECT: Progress Report from the **Regionalization Committee**

Since presenting our Progress Report to the State Board of Education in December, 1995, and subsequently to the Joint Standing Committee on Educational and Cultural Affairs on January 10, 1996, the **Regionalization** Committee has been continuing our work toward completing the recommendations outlined in that report. Our goal is to fully expand the multi-level governance concept and to encompass all the details necessary to make implementation possible.

This phase of the work began in February, 1996, by dividing the elements on the Regionalization Chart (latest version attached) into three fundamental categories for further in-depth study with input from all stakeholders. This expanded our membership through Sub-committees on:

Governance	Operations	Human Resources
School Boards	Business Services	Union Contracts
School Councils	Technology	Personnel
Leadership Roles	Food Service	Insurance
Department of Education	Transportation	Benefits
Funding	Construction	Recruitment
	Consolidation	Legal Services
	Capital Improvement	Transitional Issues
	Maintenance	
	Health	

The Governance Sub-committee was established in early March, 1996. Armed with concepts from New Brunswick, Canada, to Oregon, as well as our goal of restructuring around student needs, a Governance Model is beginning to emerge (draft of chart included). The cornerstones of this governance concept are strengthened **Site Based** decision-making authority and a diverse **School Advisory Council**. This model is built around better service to students, as opposed to a top-down administrative redesign. We have been defining the **Maine School Advisory Council**; i.e. the membership and their

roles and responsibilities (draft attached). We are currently developing the **Local Instructional Board and Regional Support Board** structure necessary to support this concept. The regional education concepts envisioned by this committee will require fundamental changes in Maine's school governance system. The changes will be highlighted by:

- A building **Principal** with strengthened site-based decision making authority working collaboratively with a diverse **School Advisory Council**
- A **Superintendent of Instruction Curriculum and Assessment** working cooperatively with high performance a **Local Instructional Board** supporting an increased focus on instructional policy and classroom teaching and learning
- A **Superintendent of Regional Support** and a **Regional Support Board** working together to develop and manage a broad regional approach to education support services
- A **Leadership Council** supporting the mission vision and long term goals of the region and providing the leadership for efficient, equitable, high quality education for all students

The Operations and Human Resources Sub-committees were formed and began their work July 1, 1996. These Sub-committees are further defining and expanding on their specific issues as they relate to the Regionalization framework; drafts of some of their work are also attached. The following page is a complete Regionalization Committee/ Sub-committee membership matrix with specific assignments.

The Regionalization Committee has recently begun the final phase of our study: budget and cost analysis, defining **Local Instructional Units** and **Regional Support Units**, pilot site/ transitional issues, and recommended Legislation. The Committee does not plan to introduce Regionalization Legislation during the First Session of the 118th Legislature. The budget and cost analysis piece will require extensive research. We are currently working with the Maine Education Policy Research Institute, who is developing a research database to which we will be able to apply our regional models. We will be drafting another progress report which will detail our work to date with recommendations and will be presented to the State Board of Education in January 1997.

As we continue our work, your input and guidance is encouraged and welcome. A broad based public awareness will be essential to the success of this kind of fundamental restructure of education. If you need more information, have suggestions, or would like to discuss any of our work in more detail please do not hesitate to contact any of the Committee Members on the following page or give me a call. Work(207)255-3006, Home(207)255-8016, Fax(207)255-3112, or E-mail jelgrier@nemaine.com

REGIONALIZATION

INSTRUCTIONAL

Regular Programs
Learning Results
Assessments

Special Education
In-School Programs

Gifted & Talented
In-School Programs

Curriculum
School Based

Personnel Hiring
Site-Based
Team Oriented

Extra-Curricular
Co-Curricular
Activities

Community Use
of Facilities

Student
Management

Local School
Unit

PRINCIPAL

Staff Development
Leadership Training
Long Range Plans

Special Education
Student Services
Professional Service

Gifted & Talented
Student Services
Professional Service

Technology
Interactive Education
Technical Support

Union Contracts
Instructional

School to Work
School-based Learn
Work-based Learn

Adult Education

Choice
Intra-Regional
Charter Schools

REGIONAL
ADMINISTRATIVE UNIT

REGIONAL
SUPERINTENDENT

NON-INSTRUCTIONAL

Business Services
Payroll, Benefits
Financing, Insurance

Transportation
Bus Procurement
Contracts

Food Services
Purchasing
Reporting

Technology
Operational
Technical Support

Union Contracts
Non-Instructional

Federal/State
Reports

Construction
Long-Range Plans
Consolidation

Transportation
Routes
Maintenance

Food Services
Implementation

Physical Plant
Maintenance
Capital Improvement

Health Services
Personnel
Agencies

Sub-Regional
Support Unit

DIRECTOR
FACILITIES
& SUPPORT



State Board of Education
Review of Current Cooperative Agreements
Progress Report
to the
Joint Standing Committee on Education and Cultural Affairs

December 1, 1995



State Board of Education

STATE HOUSE
STATION 23
AUGUSTA, MAINE 04333

Marjorie Murray Medd, Chair
State Board of Education

In June 1995, the first session of the 117th Legislature enacted Public Law Chapter 395 which created new responsibilities for the State Board of Education. Specifically, the Legislature has asked the State Board of Education to review the organization of school administrative units statewide to identify current cooperative agreements between school administrative units.

Additionally, the State Board must provide a progress report on its findings to the Joint Standing Committee on Education and Cultural Affairs by December 1, 1995. The report must include an analysis of current cooperative agreements and a framework for requiring additional agreements statewide.

In order to achieve this goal, the State Board of Education recommended that a small specialized group be established as the Consolidation Committee. The Consolidation Committee functioned as a subcommittee of the State Board and worked in conjunction with the Department of Education. This group has a diverse membership that included educators, city and state government officials and private sector business representatives. Working unselfishly over the two month period of October and November, this group dedicated their time, knowledge and expertise to this task as well as providing meeting facilities.

The Committee would like to extend its appreciation to both Deputy Commissioner Ray Poulin for his contribution and support and to Suzan Cameron for professionally staffing the Committee, providing technical assistance and drafting the report.

I would like to take this opportunity to thank the members of the Consolidation Committee for their commitment to their task and thank the staff at the Department of Education, especially the Division of Management Information, for their support.

Sincerely,

A handwritten signature in cursive script, likely belonging to Andrew E. Ayer.

Andrew E. Ayer, Chair
Consolidation Committee of
the State Board of Education

A handwritten signature in cursive script, likely belonging to James E. Rier, Jr.

James E. Rier, Jr., Vice Chair
Consolidation Committee of
the State Board of Education

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Background

During the 1994 legislative session, members of the Joint Standing Committee on Education challenged the State Board to develop a plan for encouraging consolidation among the school administrative units in the state. In July 1994, the State Board held two public forums, in Augusta and Bangor, to solicit comments concerning consolidation. During the Fall of 1994, the Committee to Study Organizational and Tax Issues in Public Schools heard from superintendents, representatives of professional education organizations and Maine citizens about the financial, governance and building implications of consolidation. The Committee's report, *Keeping Promises: Honoring Our Commitment to Educational Equity*, contains recommendations relating to the establishment of a Task Force on Consolidation by the State Board of Education.

In June 1995, the first session of the 117th Legislature enacted Public Law Chapter 395 which created new responsibilities for the State Board of Education. Specifically, the Legislature has asked the State Board of Education to review the organization of school administrative units statewide to identify current cooperative agreements between school administrative units. Cooperative agreements may include, but are not limited to; purchasing or contract agreements; administrative functions; shared staff and staff training; and technology initiatives. Based on the review, and in consultation with the department, the state board may require that school administrative units develop and carry out a plan for a cooperative agreement with one or more other school administrative units. "Cooperative agreement" may include agreements between school administrative units and applied technology regions and applied technology centers.

Additionally, the State Board must provide a progress report on its findings to the Joint Standing Committee on Education and Cultural Affairs by December 1, 1995. The report must include an analysis of current cooperative agreements and a framework for requiring additional agreements statewide.

Accordingly, the State Board convened a subcommittee of representatives from education, city and state government and private sector business representatives. The "Consolidation Committee" worked diligently to provide the following analysis of current cooperative agreements and to provide a framework for requiring additional agreements statewide.

Where Maine is Today

Maine, currently, has a very diverse governance structure under which a growing number of informal and formal cooperative agreements have formed. Today's cooperative agreements have formed as a result of either a need for instructional resources or a need to reduce costs because of economic hardships.

The following represents many of the existing cooperative agreements:

Alliance for Teaching and Learning in Aroostook Schools (Atlas 5) -- serves S.A.D. #1(Castle Hill, Chapman, Mapleton, Presque Isle, Westfield), S.A.D. #20(Fort Fairfield), S.A.D. #42(Blaine, Mars Hill), Caribou and Limestone in Aroostook county. This is a formal cooperative agreement that was developed to explore means of sharing resources and services, to increase opportunities for students and to reduce operational and administrative costs while maintaining quality education. Currently, Atlas 5 is involved in grant development, bulk buying, shared staff development, technology initiatives, bus driver drug testing, etc. Also, Atlas 5 is currently working on an alliance with the University of Maine at Presque Isle.

Casco Bay Educational Alliance -- serves Falmouth, Freeport, Yarmouth, S.A.D. 51 (Cumberland, North Yarmouth) and S.A.D. #62(Pownal) in Cumberland county. This is a formal cooperative agreement which collectively purchases milk but mainly provides collaborative instructional options to enhance learning opportunities for students. Three of CBEA's members share an alternative high school. Enterprise Teams, a school-business partnership is offered at the four high schools. Instructors for high school courses such as archeology are being shared. Technology coordinators, through CBEA, have negotiated a far more comprehensive maintenance plan for their units.

Educational Cooperative 2000 (ECO 2000) -- serves S.A.D. #24(Cyr Plt., Hamlin, Van Buren), S.A.D. #32(Ashland, Garfield Plt., Masardis, Oxbow Plt., Portage Lake), S.A.D. #33(Frenchville, St. Agatha), S.A.D. #45(Perham, Wade, Washburn), Easton, and Union #122(New Sweden, Stockholm, Westmanland, Woodland) in Aroostook county. This is a formal cooperative agreement with basic by-laws and is incorporated. Before becoming a formal organization, this group of S.A.U.s began by pooling their Eisenhower grants and combining their food service purchases. ECO was formed to better utilize resources. One of the main benefits of this group has been staff development and the sharing of a Special Education Director.

Southern Aroostook County Applied Technology Region -- serves S.A.D. #14(Danforth, Weston), S.A.D. #25(Mount Chase Plt., Patten, Sherman, Stacyville), S.A.D. #29(Hammond Plt., Houlton, Littleton, Monticello), S.A.D. #70(Amity, Cary Plt., Haynesville, Hodgedon, Linneus, Ludlow, New Limerick), C.S.D. #9(Crystal, Dyer Brook, Island Falls, Merrill, Oakfield, Smyrna), C.S.D. #12(Codyville Plt., Topsfield) and Union #108(Bancroft, Glenwood Plt., Orient, Vanceboro) in Aroostook, Washington and Penobscot counties. This region not only provides applied

technology services but also is the vehicle for regional programs such as alternative education, gifted and talented and parenting.

Southern Maine Partnership -- serves Auburn, Biddeford, Brunswick, Cape Elizabeth, Falmouth, Freeport, Fryeburg Academy, Gorham, S.A.D. #6(Buxton, Hollis, Limington, Standish), S.A.D. #15(Gray, New Gloucester), S.A.D. #51(Cumberland, North Yarmouth), S.A.D. #55(Baldwin, Cornish, Hiram, Parsonsfield, Porter), S.A.D. #60(Berwick, Lebanon, North Berwick), S.A.D. #71(Kennebunk, Kennebunkport), S.A.D. #72(Brownfield, Denmark, Fryeburg, Lovell, Stoneham, Stow, Sweden), S.A.D. #75(Bowdoin, Bowdoinham, Harpswell, Topsham), Maine College of Art, Old Orchard Beach, Portland, Raymond, Southern Maine Technical College, Sanford, Scarborough, South Portland, Thornton Academy, Union #7(Dayton, Saco), University of Southern Maine, Waynflete School, Wells-Ogunquit C.S.D., Westbrook, Windham, Yarmouth, and York. This is an informal cooperative agreement serving both public and private educational organizations for the past ten years in instructional practice, staff development, leadership, and building governance.

Washington County Consortium for School Improvement -- serves S.A.D. #19(Lubec), S.A.D. #37(Addison, Cherryfield, Columbia, Columbia Falls, Harrington, Milbridge), S.A.D. #77(Culter, East Machias, Machiasport, Whiting), Union #102(Jonesboro, Machias, Marshfield, Northfield, Roque Bluffs, Wesley, Whitneyville), Moosabec C.S.D./Union #103(Beals, Jonesport), Union #104(Charlotte, Dennysville, Eastport, Pembroke, Perry), Union #106(Alexander, Baring Plt., Calais, Crawford, Robbinston), Union #107(Baileyville, Cooper, Grand Lake Stream Plt., Meddybemps, Princeton, Talmadge, Waite), Maine Indian Education and University of Maine at Machias in Washington County. The Washington County Consortium was formed with a focus on professional development. Its goals are networking, connecting schools with people resources, teacher training, and supporting those interested in school change. The Consortium will also work with selected schools to help with long-range planning.

Western Maine Partnership -- serves Auburn, Augusta, Fayette, Jay, S.A.D. # 3 (Brooks, Freedom, Jackson, Knox, Liberty, Monore, Montville, Thorndike, Troy, Unity, Waldo), S.A.D. #9 (Chesterville, Farmington, Industry, New Sharon, New Vineyard, Temple, Vienna, Weld, Wilton), S.A.D. #11 (Gardiner, Pittston, Randolph, West Gardiner) S.A.D. #16 (Farmingdale, Hallowell), S.A.D. #17 (Harrison, Hebron, Norway, Otisfield, Oxford, Paris, Waterford, West Paris), S.A.D. #21 (Canton, Carthage, Dixfield), S.A.D. #36 (Livermore, Livermore Falls), S.A.D. #39 (Buckfield, Hartford, Sumner), S.A.D. #43 (Byron, Mexico, Roxbury, Rumford), S.A.D. #44 (Andover, Bethel, Greenwood, Newry, Woodstock), S.A.D. #47 (Belgrade, Oakland, Sidney), S.A.D. #49 (Albion, Benton, Clinton, Fairfield), S.A.D. #52 (Greene, Leeds, Turner), S.A.D. #53 (Burnham, Detroit, Pittsfield), S.A.D. #54 (Canaan, Cornville, Mercer, Norridgewock, Skowhegan, Smithfield), S.A.D. #58 (Avon, Eustis, Kingfield, Phillips, Strong), S.A.D. #59 (Athens, Brighton Plt., Madison, Starks), S.A.D. #74 (Anson, Embden, New Portland, Solon), Union #42 (Manchester, Mount Vernon, Readfield, Wayne), Union #44(Litchfield, Sabattus, Wales), the Maine Special Education Support Network, the Maine Mathematics & Science Alliance, the University of Maine at Farmington and the University of Maine Graduates Outreach Program. This is a formal cooperative agreement that represents a

merger of efforts by two existing groups -- superintendents in western and central Maine, and the Western Comprehensive System for Professional Development -- the goal is to promote renewal and growth of learning opportunities of schools within the region.

Newly formed cooperatives:

Androscoggin Valley Education Collaborative -- serves Auburn, Lewiston, Monmouth, Union #30(Durham, Lisbon), Union #44(Litchfield, Sabattus, Wales) and S.A.D. #52(Greene, Turner, Leeds)

Kennebec Alliance -- serves S.A.D. #47 (Belgrade, Oakland, Sidney), S.A.D. #49 (Albion, Benton, Clinton, Fairfield), S.A.D. #54 (Canaan, Cornville, Mercer, Norridgewock, Skowhegan, Smithfield), Union #52 (China, Vassalboro, Winslow) and Waterville.

Moosehead Region Educational Consortium -- initially S.A.D. #4(Abbot, Cambridge, Guildford, Parkman, Sangerville, Wellington), S.A.D. #41(Atkinson, Brownville, Lagrange, Lake View Plt., Milo), S.A.D. #46(Dexter, Exeter, Garland, Ripley), S.A.D. #68(Charleston, Dover-Foxcroft, Monson, Sebec) and Union #60(Beaver Cove, Greenville, Kingsbury Plt., Shirley, Willimantic)

The previous organizations are not all inclusive -- other cooperatives and partnerships do exist such as E=MC2 (Cape Elizabeth, Scarborough, South Portland), etc. There are *Special Services Regional Programs* such as Waldo Region Special Services, Southern Penobscot Region Special Programs, etc. Also, there is the development of the Career Opportunities 2000 Regional Partnerships which were made possible by a five year grant of \$12 million dollars under the new "School-to-Work Opportunities Act of 1994".

These cooperative agreements, both formal and informal, overlay Maine's disjointed governance structure.

Maine's current governance structure:

In Maine, the unorganized territory and 492 municipalities are served by one or more of the following ten different types of school systems:

- CITIES OR TOWNS WITH INDIVIDUAL SUPERVISION
- SCHOOL ADMINISTRATIVE DISTRICTS
- COMMUNITY SCHOOL DISTRICTS
- UNIONS OF TOWNS
- MAINE INDIAN EDUCATION
- UNITS UNDER DISTRICT SUPERINTENDENTS AND AGENTS OF THE COMMISSIONER
- TECHNOLOGY CENTER
- TECHNOLOGY REGION
- CHARTER SCHOOL
- EDUCATION IN UNORGANIZED TERRITORIES

Maine's only successful consolidation of governance exists in its "School Administrative Districts" and "Community School Districts". The majority of these consolidations formed during the late 1950s through the late 1970s. It is apparent in per pupil operating costs (Appendix F) that "School Administrative Districts" are more cost effective, in part due to the economy of size.

In the past 14 years, there hasn't been any significant consolidation in Maine, except Rumford joined S.A.D. #43 in 1989. However, there have been five municipalities that withdrew from "School Administrative Districts". The Committee to Study Organizational and Tax Issues in Public Schools' report stated "Unfortunately, rising property tax bills and discontent with cost-sharing methods with SADs have led a number of communities to investigate withdrawing from SADs." and also stated "It is currently easier to withdraw from an SAD than to change the cost-sharing arrangement".

This committee agrees with the Committee to Study Organizational and Tax Issues in Public Schools' criticism of School Unions. Their reasons included:

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

Since 1980, annual spending (state & local) on K-12 education has increased by more than \$719 million to \$1.08 billion in 1994, but Maine is educating approximately 10,000 fewer students, or about 215,000. This increase in expenditures may be a result of increased mandates of the legislature such as the "Education Reform Act of 1984" and minimum teacher salaries established in 1986-87 and 1987-88.

The following are descriptions defining the many different kinds of governance structures and schools in Maine:

CITIES OR TOWNS WITH INDIVIDUAL SUPERVISION (45 Systems with 45 Municipalities)

A city or town with individual school supervision is a single municipality. A school committee administers the education of all grades in the city or town through a superintendent of schools. The city or town charter usually determines the method of budget approval. In many cities and towns, the City Council or Town Council has final budget approval. Since it is a single municipality, cost sharing is not a factor.

SCHOOL ADMINISTRATIVE DISTRICTS (73 Systems with 274 Municipalities)

A school administrative district (S.A.D.) is a combination of two or more municipalities who pool all their educational resources to educate all students. One school committee (comprised of representatives from each of the municipalities) administers the education of grades K-12 through a superintendent of schools. S.A.D. school committees are apportioned according to the one person-one vote principle. Budget approval is by majority vote of those present and voting at a district budget meeting except in some instances, a referendum procedure is used. The member municipalities share the S.A.D. costs based on a formula which includes state valuation and/or number of pupils. NOTE: There are a few S.A.D.s comprised of one town because of unique situations.

COMMUNITY SCHOOL DISTRICTS (13 Systems with 39 member towns)

A community school district (C.S.D.) is a combination of two or more municipalities and/or districts formed to build, maintain, and operate a school building or buildings to educate any or all grades. For example, a C.S.D. may be formed to build and operate a grade 7-12 school for all towns in the C.S.D. These same towns will maintain individual control (or belong to a union) for the education of their K-6 students. A community school district may also include education of all grades K-12.

The C.S.D. school committee is comprised of members of each town's local school committee if one exists. C.S.D. school committees are apportioned according to the one person-one vote principle. The member municipalities share the C.S.D. costs, based on a formula including number of pupils in each town and/or state valuation or any combination of each. Community School District budgets are approved by majority vote of voters present and voting at a district budget meeting.

UNIONS OF TOWNS (32 Systems with 126 Municipalities)

A Union is a combination of two or more school administrative units joined together for the purpose of sharing the costs of a superintendent and the superintendent's office. Each member school administrative unit maintains its own budget, has its own school board, and operated in every way as a separate unit except for the sharing of superintendent services.

In addition, a union school committee exists, comprised of representatives of each member unit school committee and conducts the business of the union. All votes of the union committee are cast on a weighted basis in proportion to the population of the towns involved.

MAINE INDIAN EDUCATION (1 System, 3 Reservations)

There are three Indian school administrative units in Maine. These three school administrative units are organized exactly as a union of towns described on the previous page.

EDUCATION IN UNORGANIZED TERRITORIES (6 Schools)

Education in unorganized territories (E.U.T.) in Maine is a responsibility of the State. The education of some of the territory children is accomplished by the state operating schools which are in unorganized territories and some elementary pupils and all secondary pupils are tuitioned to school administrative units. Agent superintendents are assigned to assure that each child in an unorganized territory receives education. These agents are assigned by the Commissioner of Education through the Division of School Operations. The cost of operating unorganized territory schools, tuition and transportation is paid by property taxpayers in the unorganized territories.

UNITS UNDER DISTRICT SUPERINTENDENTS AND AGENTS OF THE COMMISSIONER (24 Systems, 24 Municipalities)

A unit assigned to a district superintendent or an agent of the commissioner, generally is a relatively small unit requiring less than full-time administration. Units under district superintendents procure services of superintendents on their own by negotiating with a nearby superintendent and school board. Agents are appointed by the commissioner on a temporary basis if the local unit is unable to locate a superintendent on its own.

TECHNOLOGY CENTER (19 Centers)

A technology center is a facility or program providing technical education to secondary students. A center is governed by a single school administrative unit. It may serve students from other affiliated school administrative units. It may include satellite center facilities and programs. A technology satellite program is a facility or program providing technical education to secondary students, which is administered by a school administrative unit affiliated with a technology center.

TECHNOLOGY REGION (8 Regions)

A technology region is a quasi-municipal corporation established by the Legislature for the delivery of technology programs which is comprised of all the school administrative units within the geographical boundaries set forth in 20-A MRSA, section 8451. A region is governed by a cooperative board formed and operating in accordance with 20-A MRSA, Chapter 313.

CHARTER SCHOOL (1 school)

A charter school has only been recently established in Maine in the fall of 1995 -- the Maine School of Science and Mathematics. The Maine School of Science and Mathematics was established as a public, chartered school for the purpose of providing certain high-achieving high school students with a challenging educational experience.

Schools in Maine:

There are many different types and sizes of schools in Maine. There are 576 elementary schools that range from 4 students to 1,111 students, 110 secondary schools that range from 28 students to 1,340 students and 11 combined schools that range from 69 students to 592 students.

Nationally, sixty-five percent of the schools have enrollments that range from 200 to 799 and in Maine sixty-eight percent of the schools have enrollments that range from 101 to 500. The average enrollment in Maine for elementary schools was 265 and secondary schools was 516 in 1994-95, both are significantly lower than the national averages. Nationally elementary schools had an average enrollment of 468 and secondary schools had an average enrollment of 695 in 1993-94. In Maine there are great variances in size, some of the largest schools are the Lewiston High School (1,340 students) serving grades 9 through 12 and the Bonny Eagle Middle School (1,111) serving grades 6 through 8. Maine has 157 schools with less than 200 students and 99 of these schools have less than 100 students. Some schools are so small and inefficient that we realize that cost-savings is minimal. The issue of restructuring small schools must undergo continual study for the good of *all* students. For the larger good, the small school situation needs to be studied weighing the educational benefits and opportunities for students and the fiscal reality of running a small school.

Size of schools:

National Averages -- 1993-94*		Maine -- 1994-95	
Enrollment Size	Percentage	Enrollment Size	Percentage
Under 100	8.67%	Under 100	14.78%
100 to 199	9.92%	100 to 199	23.53%
200 to 499	38.69%	200 to 499	45.05%
500 to 799	26.57%	500 to 799	13.49%
800 to 999	7.17%	800 to 999	2.01%
1000 or more	8.98%	1000 or more	1.15%

*U.S. Dept. of Education, Nat'l. Center for Educ. Statistics, Digest of Educ. Statistics 1995.

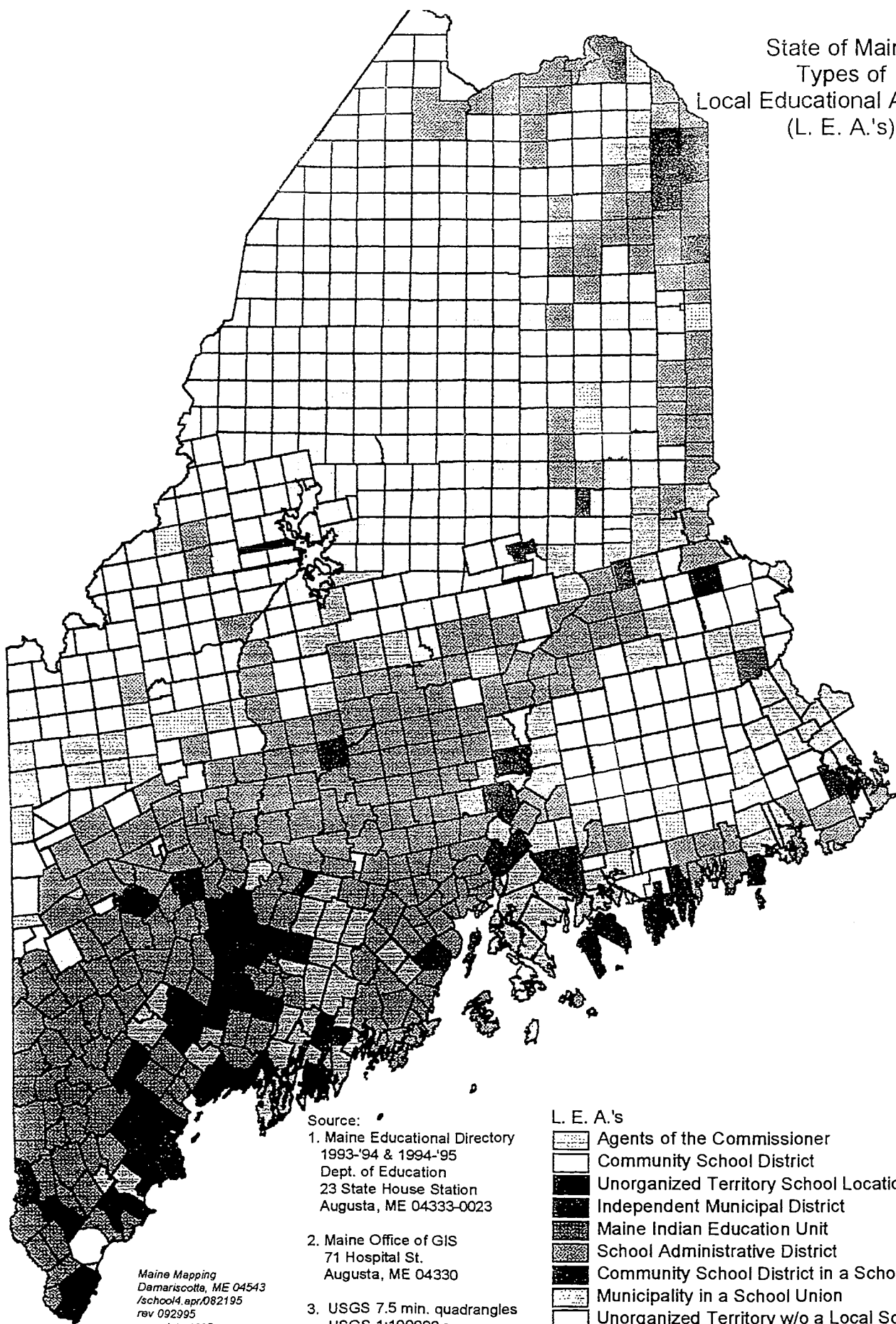
In Maine, private schools are another educational resource. In the fall of 1994, over 13,000 students were served by private schools: grades kindergarten through 6 -- 5,191 pupils, grades 7 and 8 -- 988 pupils and grades 9 through 12 -- 7,267. There are ten private high schools whose enrollment are 60% or more publicly funded. The table titled "Distribution of Local Educational Agencies in Maine" indicates there are 98 approved private schools which includes sectarian and nonsectarian schools. For "basic school approval", private schools must meet the requirements set forth in 20-A MRSA, Part 2, Chapter 117, Subchapter I. For "approval for the receipt of public funds by private secondary schools", a private secondary school must meet the above "basic school approval" requirements, be nonsectarian, and meet the requirements set forth in 20-

A MRSA, Part 2, Chapter 117, Subchapter II. There are over 100 non-approved private schools which are recognized only for the purposes of the compulsory attendance law and five nontraditional limited purpose schools.

Maine statutes allow for equivalent instruction through home instruction, commonly referred to as “home-schooling”, pursuant to 20-A MRSA §5001-A, paragraph 3(A). In 1994-95, 3,280 children were “home-schooled” -- only 3 children were “home-schooled” in 1981-82.

The following map details Maine’s governance structure and the following tables detail the many different types of schools and many different sizes of schools in Maine.

State of Maine
Types of
Local Educational Agencies
(L. E. A.'s)



- Source:
1. Maine Educational Directory
1993-'94 & 1994-'95
Dept. of Education
23 State House Station
Augusta, ME 04333-0023
 2. Maine Office of GIS
71 Hospital St.
Augusta, ME 04330
 3. USGS 7.5 min. quadrangles
USGS 1:100000 maps

L. E. A.'s

- Agents of the Commissioner
- Community School District
- Unorganized Territory School Location
- Independent Municipal District
- Maine Indian Education Unit
- School Administrative District
- Community School District in a School Union
- Municipality in a School Union
- Unorganized Territory w/o a Local School

Maine Mapping
Damariscotta, ME 04543
/school4.apr082195
rev 092395
copyright 1995

SCHOOL SIZES IN MAINE (During 1994-95)

Number of Schools (for different ranges of grades)

A quick summary of school sizes:

Smallest school=

Median-sized school =

Largest school =

A more detailed examination of school sizes:

Different ranges of school sizes:

...from...	...up to...
1	50
51	100
101	150
151	200
201	300
301	400
401	500
501	600
601	700
701	800
801	900
901	1,000
GREATER THAN 1,000:	

ELEMENTARY SCHOOLS

All or some of
grades K - 8

576

SECONDARY SCHOOLS

Mostly 9-12
schools, but some
are 7-12, 6-12,
or 10-12.

110

COMBINED SCHOOLS

Mostly K-12,
one 4-12, &
one K-9.

11

4

227

1,111

28

458

1,340

69

234

592

Number of elementary schools

in these ranges:

40
57
76
80
111
95
52
32
24
4
3
1
1

Number of secondary schools

in these ranges:

2
2
1
5
17
20
13
12
10
11
4
6
7

Number of combined schools

in these ranges:

0
2
1
1
3
2
1
1
0
0
0
0
0

Notes:

1. Only public schools (including EUT schools) are included.
2. The 27 vocational centers and regions are not included.
3. Both Special Education and other pupils are considered.
However, the two schools that are exclusively Special Education are not included.
4. The one Ungraded school is not included.
5. The two State owned and operated schools are not included.

DISTRIBUTION OF LOCAL EDUCATIONAL AGENCIES IN MAINE
School Year 1994-95 -- REVISED

	Number of Systems	No. of Local Adm. Units	Number of Municipalities
Cities & Towns with Individual Supervision	45	45	45
School Administrative Districts	73	73	274
Community School Districts	13	13	39
Union of Towns (including Maine Indian Education)	33	129	111 *
Towns under District Superintendents & Agents of the Commissioner	24	24	23 **
TOTALS	188	284	492

(These are only counted ONCE to avoid duplication.)

* 18 municipalities are counted with C.S.D.s

** 1 municipality (Franklin) is counted with C.S.D.s

TYPES OF SCHOOLS

Code	Public	Private
(H) High Schools	94	16
(I) Junior-Senior High Schools(1 state-owned & operated listed under public)	19	3
(J) Junior High/Middle Schools	95	0
(U) Ungraded Schools	1	1
(S) Special Education Schools	2	12
(C) Combined Elementary & Secondary Schools.....(1 state-owned & operated listed under public)	10	15
(E) Elementary Schools	481	51
(V) Technology Centers & Regions	27	0
TOTALS	729	98 *

***Description on page 9.

SUMMARY

Elementary Schools (any grade combination from kindergarten to grade 8)	576	54
Combined Elem. & Sec. Schools (any grade combination which includes both elementary & secondary grades)	32	27
Secondary Schools (any grade combination from grade 9 to grade 12) [Note, 19 technology centers included in public count.]	113	17
Technology Regions (regional technical programs)	8	0
TOTALS	729	98

Where Maine should be Tomorrow

The legislation governing this report required the State Board of Education to recommend a “framework” for requiring additional agreements statewide. This legislation was developed in response to the Final Report of the Committee to Study Organizational and Tax Issues in Public Schools which noted that there was “obvious advantages” to these cooperative agreements and that they represent an “intermediate step between independent school units acting in isolation and actual physical consolidation of school units”. These cooperative agreements are the first steps towards regional consolidation.

Charged with developing this “framework”, the State Board of Education’s Consolidation Committee determined the following:

“If we really expect to make a difference with any consolidation effort, it needs to be bold, student oriented and cost effective”

The Consolidation Committee’s convictions became, first, to enhance learning opportunities and, second, to improve efficiency.

After studying Maine’s current cooperative agreements and governance structure, this committee is convinced that the creation of a new “multi-level” governance structure, *to include the education in the unorganized territories presently administered by the Department of Education*, is necessary to provide a more effective and efficient delivery of services.

The “framework” of the new “multi-level” governance structure has been designed to remove the burden of non-instructional services from teachers, principals and superintendents and increase the focus on student learning. This structure also promotes “school-based management” as recommended by the Committee to Study Organizational and Tax Issues in Public Schools.

Other benefits of the new “multi-level” governance structure are that it incorporates the sharing of services, improved efficiency and cost-saving ideas of the current cooperative agreements and allows for “intra-regional” choice for both teachers and students to become a distinct reality. One of the recommendations of the Committee to Study Organizational and Tax Issues in Public Schools was that the State Board of Education explore expanding choice between units with cooperative agreements.

An important step towards this new structure is the development of a statewide common school calendar and scheduling to take advantage of better educational opportunities by sharing personnel and resources and to utilize interactive television (ITV).

A reorganization of Maine’s educational governance structure into a new regional “multi-level” governance structure would promote the sharing of both instructional and non-instructional services. The intent of this new governance structure is to move as much as possible to a regional management level -- not just to save money but to better serve site-based education, improve efficiency and quality of educational opportunities.

The following chart and descriptions are the “framework” for the Regional Multi-Level school administrative unit:

Regionalization

Instructional

Non-Instructional

Regular Programs

Learning Results
Assessment

Staff Development

Leadership Training
Long-Range Planning

Business Services

Payroll, Benefits
Financing, Insurance

Construction

Long-Range Planning
Consolidation

Special Education

In-School Programs

Special Education

Student Services
Professional Services

Transportation

Bus Procurement
Contracts

Transportation

Routes
Maintenance

Gifted & Talented

In-School Programs

Gifted & Talented

Student Services
Professional Services

Food Services

Purchasing
Reporting

Food Services

Implementation

Curriculum

School Based

Technology

Interactive Education
Technical Support

Technology

Operational
Technical Support

Physical Plant

Maintenance
Capital Improvement

Personnel Hiring

Site-Based
Team Oriented

Union Contracts

Instructional

Union Contracts

Non-Instructional

Health Services

Personnel
Agencies

Extra-Curricular

Co-Curricular
Activities

School to Work

School-Based Learning
Work-Based Learning

Federal/State Reports

Community Use of Facilities

Adult Education

Choice

Intra-Regional
Charter Schools

School Governance
Building Unit
Site Based Management
Building Principal

Regional Governance
School Administrative Unit
Superintendent - CEO

Sub-Regional Governance
Area School Unit
Director Physical
Plant & Support

Region

A Superintendent would be CEO of this level of the new governance structure. A “Region” would provide non-instructional and instructional services.

Instructional:

CATEGORY:	DESIRED RESULTS:
Staff Development	Combine and coordinate resources regionally to provide quality staff development and leadership training and long-range planning.
Special Education	Share regionally the impact of high cost placements on the local community by sharing regionally. Coordinate regional programs not possible due to long-distance transportation -- bring services such as psychiatric, speech therapy, physical therapy, etc.
Gifted & Talented	Provide regional Gifted & Talented programs to provide opportunities that currently are not available in some areas.
Technology	Share technical support and maintenance services. Utilize technology, such as ITV, to provide more opportunities for coursework outside what is available currently from some of the local units. Networking to bring instructional opportunities to all schools in the region.
Union Contracts	Develop regional contracts for instructional staff for: <ul style="list-style-type: none">• Sharing of staff between schools• Remove burden of contract negotiation from local schools• Free teachers to teach• Create a more harmonious work force• Provide for management flexibility• Enhance administrative focus on education• Provide enhanced benefits through a larger workforce unit

Region, continued

Instructional:

CATEGORY:	DESIRED RESULTS:
School to Work	Provide regional coordination of delivery of services and to provide opportunities for programs which combine school-based and work-based elements.
Adult Education	Coordinate the delivery of services and to provide opportunities regionwide.
Choice	Provide an opportunity for intra-regional choice. Charter School - provide opportunity for an identified need.

Region, continued

Non-Instructional:

CATEGORY:	DESIRED RESULTS:
Business Services	<p>Manage statewide standardization of business services through technology. Regional centralization of services such as payroll, benefits and financing.</p> <p>Coordinate facilities management (i.e. H&V controls)</p>
Transportation	<p>Pool fleet resources and share buses and coordinate bus purchases.</p> <p>Coordinate outsourced transportation -- requests for contracted bus services for cost-savings.</p>
Food Service	<p>Increase buying power by pooling purchases.</p> <p>Reduce paperwork by regionalizing state and federal reporting requirements.</p> <p>Outsource food services where appropriate for both quality, efficiency and cost-savings.</p>
Technology	<p>Share technical support and maintenance services.</p> <p>Networking to bring technological advantages to the region.</p>
Union Contracts	<p>Develop regional contracts for non-instructional staff for:</p> <ul style="list-style-type: none">• Sharing of staff between schools• Remove burden of contract negotiation from local schools• Create a more harmonious work force• Provide for management flexibility• Enhance administrative focus on education• Provide enhanced benefits through a larger workforce unit
Federal and State Reports	<p>Regionalize state and federal reports to reduce the burden of paperwork and better utilized staff time.</p>

Sub-Region

A Director of Physical Plant & Support would manage this level of the governance structure. A

Sub-region would provide non-instructional support services. The Sub-region level of governance is geographically-driven. For Regions that are not geographically large, there may not be a need for a Sub-region level and these functions would be handled at the Region level.

Non-Instructional:

CATEGORY:	DESIRED RESULTS:
Construction	Develop plans for construction for the entire sub-region and encourage the consolidation of facilities. Involvement from instructional staff.
Transportation	Consolidate bus routes and maintenance services.
Food Service	Responsible for the implementation of food services and development of menus whether this is provided by sub-region personnel or out-sourced.
Physical Plant	Coordinate building maintenance and sharing of staff throughout the sub-region. Oversight of local construction.
Health Services	Coordinate health services throughout the sub-region by sharing health personnel, etc. Coordinate state services(i.e.Dept. of Human Services) with school services.

School

A Principal would manage this level of the governance structure under the direction of a local school council. This governance structure would allow the community to make the curricular, co-curricular and extra-curricular choices that are important to them. At this level, it is necessary to empower principals, teachers, staff, students, parents and other involved community members to make decisions at the building level in accord with policies established by the board which has ultimate responsibility for that school.

Instructional:

CATEGORY:	DESIRED RESULTS:
Regular Programs	Develop plans for the implementation of such things as the recommendations from the Task Force on Learning Results. Provide for the assessment of student learning.
Special Education	Develop in-school programs and coordination with regional special education services.
Gifted & Talented	Develop in-school programs and coordination with regional gifted & talented education services.
Curriculum	Develop school-based curriculum to meet the local needs.
Personnel Hiring	Hire personnel -- site-based and team oriented.
Extra-Curricular & Co-Curricular Activities	Organize extra-curricular and co-curricular activities.
Community Use of Facilities	Establish the school as a community learning center and encourage the community use of the facility for Adult Education, Concerts, Sports, Voting, etc.

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

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

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

Recommendations

- ***Development of the new “multi-level” governance structure.*** The Regional School Administrative Unit framework provided in this report should be fully expanded to encompass all the details necessary to make implementation possible. Areas that need to be looked at are board structure, funding and taxes. An implementation plan should include statutory legislation and pilot projects.
- ***Support for the utilization of technology as an essential service.*** Increased use of technology in both the non-instructional and instructional areas would assist in the enhancement of educational opportunities and improved financial efficiency and should be viewed as an essential service.
- ***Continuation of a committee.*** A committee of similar size should continue to serve with same specific focus and direction as outlined in this report. This committee would gather the input from all affected parties and continue to develop the framework to implement this new “multi-level” governance structure.

The “framework” for the Regional Multi-Level school administrative unit is a definite step towards the goals of enhancing educational opportunities and improving financial efficiency. In order to accomplish these goals, many issues must be addressed such as: cost, legislation, local control issues, resistance to change and issues embedded in labor agreements such as no outsourcing provisions. Some solutions have already been accomplished through the use of existing cooperative agreements, the increased use of technology and the outsourcing of non-instructional services.

APPENDIX A

LEGISLATION

Public Law 1995, Chapter 395

Sec. J-5. Progress report. The State Board of Education shall provide a progress report on its review pursuant to the Maine Revised Statutes, Title 20-A, section 405, subsection 3, paragraph U to the Joint Standing Committee on Education by December 1, 1995. The report must include an analysis of current cooperative agreements and a framework for requiring additional agreements statewide.

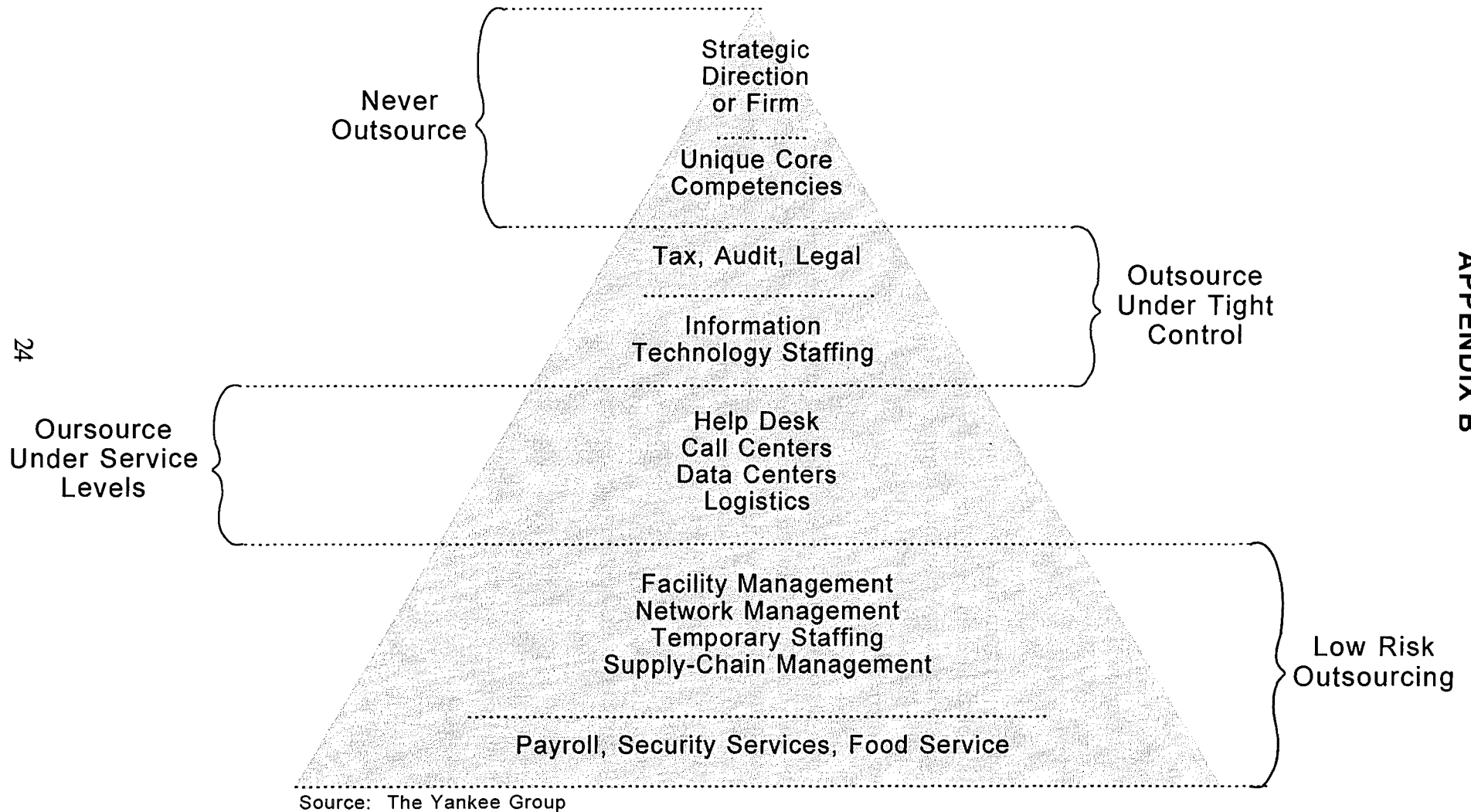
Sec. J-4. 20-A MRSA §405, sub-3, Paragraphs T to V are enacted to read:

T. Establish and maintain a 5-year plan for education that includes goals and policies for the education of children in kindergarten and grades one to 12 and that promotes services for preschool children. The plan must incorporate and build upon the work of the Task Force on Learning Results, established in Public Law 1993, chapter 290 and the federal GOALS 2000: Educate America Act;

U. Review the organization of school administrative units statewide to identify current cooperative agreements between school administrative units. Cooperative agreements may include, but are not limited to; purchasing or contract agreements; administrative functions; shared staff and staff training; and technology initiatives. Based on the review, and in consultation with the department, the state board may require that school administrative units develop and carry out a plan for a cooperative agreement with one or more other school administrative units. "Cooperative agreement" may include agreements between school administrative units and applied technology regions and applied technology centers; and

V. Study school consolidation statewide, develop a school consolidation plan that includes criteria for evaluating opportunities for consolidation and, if desirable, develop a time line for implementation.

OUTSOURCING RISK PYRAMID



APPENDIX C

COOPERATIVE AGREEMENT ORGANIZATIONS

ANDROSCOGGIN VALLEY EDUCATION COLLABORATIVE

What is the Androscoggin Valley Education Collaborative? (AVEC)

The Androscoggin Valley Educational Collaborative is an association of the schools in the area. The association was officially launched in August of 1995 with the decision of six superintendents to begin to work together on items of mutual need and interest.

Who is involved in AVEC?

The following school systems are part of AVEC

Auburn	School Union 30 (Lisbon & Durham)
Lewiston	School Union 44 (Litchfield, Sabattus, & Wales)
Monmouth	School Administrative District 52 (Turner, Leeds, & Greene)
(invitations will soon go out to St. Dom's, and to Mechanic Falls-Minot)	

What are the purposes of AVEC?

The purpose of the Androscoggin Valley Education Collaborative is to promote and enhance educational endeavors for the schools represented in the Androscoggin Valley, consisting of the schools in Lewiston, Auburn, Monmouth, School Administrative District 52, School Union 44 and School Union 30. The Collaborative is interested in promoting and enhancing endeavors for elementary and secondary students, teachers, and administrators.

What are the goals of AVEC?

The goal statements for the Androscoggin Valley Education Collaborative consist of, but are not limited to, the following goals.

1. to develop a system of communication within the six school systems and the communities.
2. to develop a regional structure for communication of ideas and concerns.
3. to foster a spirit of regional communication and cooperation among a group of related school systems.
4. to provide a system to share resources and needs.
5. to create a system of teacher empowerment in order to create, implement, and develop appropriate regional programs for students, teachers, and administrators.

How does AVEC work?

The Androscoggin Valley Education Collaborative works through a two level system. The program is administered by an "Umbrella Group" of teachers, principals, and administrators who help assess needs, set goals, and make plans.

The program is operated by a set of “Focus Groups,” derived of the many different groups in the region. These focus groups meet on a needs based system to discuss and make recommendations for the region.

Teachers in the region can participate on either level, and are invited to take active roles. Teachers can use the time they spend in AVEC as recertification time or as professional development time in keeping with their district policies.

What are the various Focus Groups?

Inservice -- to work toward developing and implementing appropriate regionalized inservice programs.

Business Managers -- to provide an opportunity for these individuals to work on sharing business practices and policies from among the school districts.

Administration -- building and district principals to work towards sharing resources and needs in both elementary and secondary areas.

Special Services -- to include G/T -- to work towards sharing resources and needs in the development of shared practices.

Elementary Programs -- to work on sharing resources, needs, practices, and policies among elementary teachers and administrators.

Academic Departments -- largely a middle and secondary forum for the exchange of ideas in academic areas. This group might handle interdisciplinary work as well as work within disciplines.

Curriculum Coordination -- to work with curriculum coordinators from both elementary and secondary schools on issues of curriculum change.

Arts and Culture -- to develop a plan to work with existing cultural affairs groups to deliver services to schools.

Technology -- to work on developing regionalized plans for technology implementation, best practices, and maintenance strategies.

Community and Adult Education -- to work to continue the on-going work in regionalizing community and adult education programs.

Vocational -- to continue the already on-going work on regional vocational technical programs.

Physical Plant and Transportation -- to work on developing strategies to share resources and repair functions.

Partnerships in Education -- to work on developing regional business and educational partnerships and to work on developing appropriate grant applications for regional partnerships.

How can I get involved?

It is easy to get involved. You should speak to the representative from the district who serves on the Umbrella Committee and express your desire to help. You can volunteer for the Umbrella Committee, serve on one of the focus groups, or establish a focus group of your own. For the 1995-96 academic year, two focus groups are already in progress, the In-Service group and the technology group.

ATLAS (Alliance for Teaching and Learning in Aroostook Schools) comprised of SAD #1, SAD #20, SAD #42, Caribou and Limestone was founded during the 1994-95 school year with the help of a grant from Peoples Bank. The alliance is based on two major goals:

1. reduce operational and maintenance costs and/or
2. increase opportunities for students while maintaining quality services, individual community (district) identities and governance

To date ATLAS has:

- 1) developed several grant proposals including a successful Department of Commerce technology grant.
- 2) sponsored a technology workshop for Central Aroostook educators.
- 3) cooperatively purchased copier paper, fuel oil, and equipment for federally mandated alcohol testing of bus drivers.
- 4) organized meetings with municipal managers to discuss cost saving initiatives and other issues of mutual interest.
- 5) developed plans for a K-16 ATLAS/UMPI partnership (Central Aroostook Council on Education) with the following priorities:
 - enhance student learning K-16
 - strengthen the professional relationship between the districts and the University
 - provide opportunities for sharing resources and maximizing the use of public funds
 - look for opportunities for grant funding
 - improve teacher preparation and to provide professional development activities for university and public school educators
 - capitalize on the strengths of all partners.
- 6) initiated discussion with the DOE School Lunch Division to regionalize school lunch programs.
- 7) worked with Paragon Cable Company on technology initiatives.

Description

The Casco Bay Educational Alliance (CBEA) is a formal confederation of five geographically neighboring districts: Falmouth, Freeport, Yarmouth, SAD #51 (Cumberland, North Yarmouth), and SAD #62 (Pownal). CBEA's mission is to develop shared, cost-effective programs that provide opportunities for enhanced learning. **CBEA's focus is on students.** CBEA's primary goal is to create, support, and sustain learning opportunities that yield high levels of student achievement and that prepare all students to be high functioning members of an information age society.

Background

CBEA was initiated by a cross-district steering committee in 1992. That committee discussed the advantages and disadvantages of a regional alliance for over two years before agreeing to a formal structure. In September, 1994, CBEA hired a part-time executive director and established a Core Team to set priorities for the 1994-1995 school year. Funding came from local school budgets and three outside sources: UNUM, People's Heritage and NYNEX.

Year One

CBEA's first official year explored the realities and the myths of school consolidation. Members learned a lot -- and reconsidered many initial assumptions about collaboration.

Accomplishments for 1994-1995 include:

- The creation of a long term vision;
- Becoming a legal entity with 501.C3 status;
- Saved money through collaborative purchasing and maintenance contracts;
- Shared resources through networking: librarians, transportation directors, business managers, athletic directors, technology coordinators, staff development chairs, etc.
- Regional professional development opportunities: leadership training, special education training, technology networking.
- Increased options for students through a shared archeology course and a business mentorship program for high school students (Enterprise Teams).

Year Two

Goals for the 1995-1996 school year are:

Cost Reductions in non-instructional areas -- CBEA will collaborate with Gorham and the ATLAS project and deliver two events in the summer of 1996:

- 1) A summer institute for teachers and students. Both the design work and the actual event are products to promote regionalized standards.
- 2) A leadership institute for teacher leaders.

Schools without Walls -- Providing high school students with greater choices and options through alternative learning experiences is the mission of this initiative. The Enterprise Team, a school business partnership, is an example of an alternative learning experience. SWOW's goal for this year is to identify existing alternatives and to precipitate a dialogue in high schools and the community for shaping the work.

Dissemination -- CBEA will share this collaborative model to interested school districts in Maine.

For More Information

Please contact Elaine Roberts, Executive Director CBEA, 783-0833;
E mail: Elaine_Roberts@melink.avcnet.org

or

Bob Hasson; Superintendent of Schools, S.A.D. #51, 829-4800

ECO 2000 was created in 1993 as a non-profit corporation designed to provide improved educational opportunities for students and staff in the seven member districts. Our corporation is governed by the superintendents who serve the member LEAs. The corporation was initially begun to explore consolidated purchasing of items such as paper, fuel, busses, custodial supplies, food and computers. Although we have saved money, it has not been substantial.

Our real saving has come in the form of shared grant writing and professional development activities. Through the services of a professional grant writer, we have been able to provide several quality professional development activities and purchase technology that separately we would not have been able to achieve.

Our focus has shifted to providing technology to all of our schools. We have developed a plan that will link all ECO 2000 schools with fiber optics and provide data and two-way audio/visual at an efficient cost. Since we are all small rural schools, we are limited in curriculum offerings at both the elementary and secondary levels. With the network in place, we will be able to broaden our curriculum by sharing staff internally and providing more global programming through external resources.

We, in the ECO 2000 group, have experienced few problems in our consolidation efforts. We work cooperatively and, as superintendents, we “leave our egos at the door.” We work for the betterment of all children in our group.

A broader picture of what ECO 2000 has accomplished and expects to accomplish can be found in the summary packet I have included.

ECO 2000 would be more than happy to speak with your committee about our organization. We feel that methods other than physical consolidation can improve educational opportunities for children and save scarce resources.

KENNEBEC ALLIANCE

Founded--October, 1994

Membership--School Systems

Messalonskee School District (Belgrade, Oakland, Sidney)

SAD #49 (Albion, Benton, Clinton, Fairfield)

SAD #54 (Canaan, Cornville, Mercer, Norridgewock, Skowhegan, Smithfield)

Union #52 (China, Vassalboro, Winslow)

Waterville

Membership--Critical Partners

Central Maine Power Company

Chinet Company

Colby College

Kennebec Valley Technical College

Scott Paper Company

Thomas College

Waterville Morning Sentinel

What circumstances led to the formation of the Kennebec Alliance?

Brought together to address issues of mutual concern and to enter agreements that will lead to more efficient financial operations as well as to enhance learning opportunities for our students, the Alliance's origin dates to October, 1994. Presently, the Alliance, through the guidance of Kevin Healey, a top executive at UNUM, is developing a formal organizational structure while already realizing the benefits of cooperation. The membership now includes top officials from the Chinet Company, representatives from the Waterville Morning Sentinel, Central Maine Power Company, Scott Paper Company, Colby College, Thomas College, and the Kennebec Valley Technical College. These liaisons are maturing well, and the private sector representatives have proven to be superb partners for public education.

What is the structure, and what type of service does the Alliance provide?

The Kennebec Alliance serves a student population that is approximately twice the size of the Portland Public Schools, Maine's largest system, and covers an expansive geographical area encompassing SAD #49, SAD #54, Union #52, the Messalonskee School District, and the Waterville Public Schools. As an Alliance, we believe that our mission on behalf of 15,000 school children is a crucial one, particularly in these times of limited resources and public cynicism. The Kennebec Alliance seeks, through commitment and cooperation, to improve student learning opportunities by sharing resources, expertise, and best practices.

Summary of Activities / Areas of Cooperation.

General Operations

- Collaborated on purchase/lease of copiers and supplies (reduced contract price for all Alliance members);
- Review status of the marketplace and purchase of paper (shared information and purchasing practices to insure cost-effectiveness--reviewed bulk purchasing)option;

- Shared bidding practices regarding the purchase of a wide variety of goods and services;
- Sponsored in-service seminar with legal counsel on Family Leave Act;
- Initiated conversations regarding:
 - * shared legal services;
 - * purchasing/sharing equipment for maintenance of records;
 - * investigating favorable contracts for telephone services, charges, and pooled bidding;
 - * negotiating savings through CMP agreement and NYNEX agreement;
 - * sharing computer maintenance services; and
 - * investigating pooled computerization of records.

Maintenance

- Investigated product lines in terms of purchasing cleaning products, energy products, and maintenance contracts;
- Investigated possibilities for in-service training for staff in cleaning practices and workplace safety;
- Discussed the effective and efficient use of cleaning chemicals through measured and monitored dispensers;
- Discussed the advantages/disadvantages of purchasing custodial supplies as a cooperative.

Transportation (active sub-group)

- Investigated cost-effective purchasing of consumables (item analysis completed of purchasing practices);
- Reviewed use of computer software for bus routes and inventory;
- Analyzed purchase of gasoline in bulk and in advance;
- Reviewed drug-testing requirements for bus drivers and possible cooperative approaches;
- Investigated joint training of new drivers: implementation goal: August, 1995;
- Explored the pooling of substitute drivers.

School Nutrition (active sub-group)

- Explored cost-effective purchasing of consumables (item analysis completed on purchasing practices across product lines);
- Offered in-service seminar on sanitation leading to certification of school nutrition personnel;
- Shared “Heart Healthy” menu ideas;
- Standardized milk and bread bids;
- Coordinated a workshop by vendors on school nutrition management.

Instructional (Directors of Special Education, Secondary Principals, Superintendents, Assistance Superintendents all involved as active sub-group)

- Convened secondary principals, discussing options for school choice at the high school level;
- Formed a sub-group of Directors of Special Education to investigate sharing of personnel, diagnostic services (PT, OT, Psychological, etc.);
- Initiated investigations to sharing educational media materials/services, as well as regular instructional materials;

- Discussed sharing of courses and instructors in terms of Advance Placement, technical/vocational programming, etc.;
- Initiated investigations on developing regional programs for certain students with exceptional needs;
- Explored opportunities to cooperate in planning and delivering professional development activities;
- Discussed the possibility of offering courses on week-ends and in the summer.

Other

- Initiated partnerships with the Chinnet Company, Central Maine Power, Scott Paper, and the Central Maine Newspapers;
- Investigated the opportunity to purchase/lease/acquire storage building in Oakland from Shurtleff Company;
- Investigated potential implementation of an e-mail link for the Alliance; and
- Initiated partnerships with Colby and Thomas colleges.

What results does the Alliance expect?

The Alliance expects to **raise academic achievement, enhance learning opportunities, maximize use of resources, and insure efficiency of operation.**

SOUTHERN MAINE PARTNERSHIP

Overview

The Southern Maine Partnership, a member of the National Network for Educational Renewal and associated with the Coalition of Essential Schools and the National Center for Restructuring Education, Schools and Teaching, is dedicated to the “simultaneous renewal of schools and the education of educators” (John Goodlad). The Partnership is a collaboration among 27 school districts, three private secondary schools, the Maine College of Art, the Southern Maine Technical College and the University of Southern Maine. It was founded in 1985 at the initiation of the Dean of USM’s College of Education and six local school superintendents.

Mission

The mission of the Southern Maine Partnership is to assist in the development, maintenance, and extension of learner-centered schools through teacher development (pre-service and in-service) and school-restructuring activities. The Partnership is a voluntary organization, non-hierarchical and reciprocal in nature, that pays equal attention to renewal at the school and university levels.

In pursuit of these attributes, the Partnership sponsors forums, conferences, seminars and lectures on issues related to restructuring and assessment. Also, in 1994-95 the Partnership began planning a new initiative, *School Quality Review*. As schools in the Southern Maine Partnership continue to successfully work on educational renewal, the issues encountered continue to grow and change. The School Quality Review Initiative (SQRI) builds on the past work done by educators and schools in southern Maine. Through assessment mini-grants and gatherings, the introduction and implementation of the Foxfire approach, and continued Dine and Discuss gatherings, the Partnership has seen a persistent change in classroom practice as teachers have become clearer about their work. However, while individual change continues to form the beginnings of change across whole schools, schools several years into the process of educational renewal have begun to encounter issues dealing with whole school change.

The Partnership has been central in the redesign of pre-service teacher education at USM. The new Extended Teacher Education Program (ETEP) replaces a traditional four-year certification program with a post-baccalaureate year of intense work in Partnership schools combined with on-site academic course work. Once certified, ETEP students enroll in a two-year Master’s program leading to a Ms.Ed. in Teaching and Learning.

Membership

Superintendents of the member school districts, the dean of the College of Education and Human Development at USM, and the presidents of the other affiliated institutions along with Dr. Miller function as the “board” of the Partnership. Member districts in 1995-96 included: Auburn, Biddeford, Brunswick, Cape Elizabeth, Falmouth, Freeport, Gorham, Old Orchard Beach, Portland, Raymond, Sanford, Scarborough, South Portland, Wells/Ogunquit CSD, Westbrook, Windham, Yarmouth, York, MSAD #6, MSAD #15, MSAD #51, MSAD #55, MSAD #60, MSAD #71, MSAD #72, MSAD #75, Union 7(Dayton, Saco). The private schools are Fryeburg Academy, Thornton Academy, and Waynflete Academy. Membership dues are \$1,300 per year.

Selected Publications

The Partnership publishes a monthly (October - June) newsletter

Conversations about Math, by Cecilia Ziko, describing new work in developing a process to engage students, teachers and parents in the alternative assessment of classroom mathematics practices.

Visits

Visitors are welcome at both the university and various school sites. Contact the Partnership during the academic year for more information.

Funders

Funding has been provided by the UNUM Foundation and the Noyce Foundation.

THE WASHINGTON COUNTY CONSORTIUM FOR SCHOOL IMPROVEMENT

The Washington County Consortium is a partnership of the school districts of Washington County, along with the county's two institutions of higher education.

The Consortium is a creation of the Superintendents of the county. In late 1992 and early 1993, representatives of the Superintendents and the University of Maine at Machias, met to explore the possibilities, assisted by representatives of the Center for Educational Services. The Maine Community Foundation awarded a small grant to the Center for a feasibility study, which was conducted by one of the Superintendents. The Washington County Superintendents Association identified needs and brainstormed ideas.

The feasibility study was completed at the beginning of the 1993-94 school year, and a major foundation signaled its willingness to provide partial funding for a partnership over a three-year period. The County Superintendents Association voted in September to create the Consortium. After finding additional funding, the Consortium officially began July 1, 1994. Funding comes primarily from two private foundations and a Department of Education CSPD grant, with a smaller grant from local business and small membership fees paid by the member districts. Funding is assured for three years, but the intention is to make the Consortium permanent if permanent funding can be found. Foundations generally are interested in start-ups but not in continuations.

The most important results which the organization expects is to build the capacity of the county's schools to improve, to bring schools together to support one another, and to link schools with resources. Major activities include: assistance to schools and districts with long-range planning, provision of professional growth opportunities for staff members, convening of teams for development programs, helping schools collaborate to take advantage of scarce resources, and acting as a clearing house for school information. The board of directors consists of the superintendents of Washington County, and a representative from the University of Maine at Machias. An advisory board includes administrators, teachers, and parent/citizens representing every county district. The director, William A. Clark, has an office at the University of Maine at Machias.

THE WESTERN MAINE PARTNERSHIP

Established formally in June, 1991, The Western Maine Partnership represents a merger of efforts by two existing groups -- superintendents in western and central Maine, and the Western CSPD leadership team -- to promote renewal and growth of schools within the region. The Western CSPD (Comprehensive System for Professional Development) served as an important building block for this new partnership, and its goals and activities were integrated into it. Central to the Partnership is a deep-seated belief that a capacity for staff and school renewal and continued growth must be developed within school districts in order to assure an appropriate and quality education for all children in western Maine. The Partnership is also based on a belief that the University has a stake in school improvement just as schools have a stake in the education of teachers.

Leadership. The structure for the Partnership is not hierarchical and bureaucratic, nor is the organization a function of any one constituency alone. Instead a variety of collaborative groups are fluid, with multiple opportunities for influencing the direction and the work of the Partnership.

Membership. Twenty-four school districts, the University of Maine at Farmington and the University of Maine outreach graduate programs are currently partners in The Western Maine Partnership.

Governing Ideas. The Western Maine Partnership is continuously developing. Structures and forms for interaction, shared leadership, and learning emerge, but remain only as long as they facilitate growth. This adaptability, however, is driven by the singular clarity of our mission -- to create schools that are learning communities, dedicated to the continuous development of all students. Beliefs and goals which govern the Partnership and guide its development are articulated by the steering and leadership teams and modified on an annual basis as the Partnership evolves.

Our goals are purposefully broad. We believe that the best school for any one child is a school that serves all children well. We must diminish the sense of "otherness" and separation so embedded in all aspects of our school system, while at the same time recognizing and attending to -- even applauding -- diversity, in terms of unique talents as well as special needs.

A major theme for the Partnership is rethinking and redesigning our schools to become true communities of learners for all children -- students who will be prepared for productive and happy lives in an increasingly complex multi-cultural, global society. All of the growth opportunities supported by The Western Maine Partnership build on each other toward this goal.

Activities. Multiple opportunities for diverse stakeholders to share and learn together are offered through The Western Maine Partnership, with conversation and dialogue the cornerstone of all activities. Our approaches are purposefully diverse, as are our schools and the students within them. Some of these focus on individual development, others on whole school development. Leadership and expertise for most is provided by Partnership members, although we maintain connections with national movements and people. Learning opportunities for 1995-96:

- Reflective Practice Groups
- Topical Conversations
- Mini-sabbaticals -- Teacher as Researcher -- Teacher as Consultant
- Leadership Training
- Consulting Schools
- UMF Educational Forums on Technology
- Assistance Program -- “Facilitating System Change” for Leadership Teams
- On-site Coaching -- “Aligning Practice with Learner Centered Principles”
- Community Awareness -- Ambassadors for Education

The strength of the Partnership comes from its “wholeness” and continued attention to conversations, making connections and quality, within a broad framework directed toward learning for all students and the adults responsible for them.

Funding. At present, significant funding for Partnership activities is provided through a grant from The Maine Department of Education’s Division of Special Services. Membership fees also help defray costs. Additional resources to support Partnership initiatives are continually sought.

APPENDIX D

SCHOOLS WITH LESS THAN TWO HUNDRED ENROLLED STUDENTS

Sch. No.	Town, SAD CSD, Union		Grades Span	Enrollment			Notes:
	Number	School Name		Elem.	Sec.	Total	
05	Auburn	Lake Street Elem School	00 03	140	0	140	
09	Auburn	Washburn School	00 03	185	0	185	
10	Bangor	Fourteenth School	00 03	188	0	188	
01	Bath	Huse Memorial School	00 00	161	0	161	Kindergarten
01	Brewer	State Street School	04 05	181	0	181	
02	Brewer	Washington Street School	02 04	163	0	163	
06	Brewer	Capri Street School	00 01	134	0	134	
02	Brunswick	Hawthorne School	01 05	143	0	143	
01	CSD 13	Deer Isle Elem School	00 03	154	0	154	
02	CSD 13	Deer Isle -Stonington Jr-Sr. High Sch	07 12	68	131	199	
01	CSD 13	Stonington Elementary School	03 06	196	0	196	
05	CSD 17	Jonesport-Beals High School	09 12	0	133	133	
01	CSD 918	Ogunquit Village School	00 05	104	0	104	
01	EUT	Edmunds Consolidated School	00 08	101	0	101	
02	Gorham	Little Falls School	00 00	192	0	192	Pre-K & Kindergarten
03	Gorham	White Rock School	01 03	161	0	161	
01	Indian	Indian Island School	00 08	109	0	109	
01	Indian	Indian Township School	00 08	182	0	182	
01	Indian	Beatrice Rafferty School	00 08	141	0	141	
01	Islesboro	Islesboro Central School	00 12	84	40	124	
04	Kittery	Shapleigh School	00 04	189	0	189	
07	Lewiston	Wallace Elementary School	00 05	110	0	110	
03	Millinocket	Aroostook Avenue School	01 05	122	0	122	
02	Old Town	Jefferson Street School	00 03	172	0	172	
03	Old Town	Herbert Gray School	00 03	161	0	161	
04	Old Town	Herbert Sargent School	00 05	143	0	143	
05	Old Town	Helen Hunt School	04 05	160	0	160	
01	Portland	Marada Adams School	00 03	130	0	130	
07	Portland	Cummings School	00 05	129	0	129	
04	Richmond	Richmond High School	09 12	0	165	165	
05	Richmond	Richmond Middle School	06 08	149	0	149	
04	S. Portland	James Otis Kaler School	00 05	138	0	138	
07	S. Portland	Redbank Village School	00 05	186	0	186	
10	S. Portland	Simon Hamlin School	00 05	124	0	124	
01	SAD 1	Gouldville Elem School	00 05	118	0	118	
04	SAD 11	Pray Street School	00 05	169	0	169	
10	SAD 11	River View Community School	00 05	153	0	153	
01	SAD 11	Teresa C. Hamlin Elem School	00 05	183	0	183	
03	SAD 13	Quimby Elem School	04 06	101	0	101	
01	SAD 13	Moscow Elementary	00 03	114	0	114	
01	SAD 16	Hall-Dale Primary School	00 02	199	0	199	
02	SAD 17	Otisfield Community School	00 06	139	0	139	
01	SAD 17	Waterford Memorial School	00 06	127	0	127	

APPENDIX D

SCHOOLS WITH LESS THAN TWO HUNDRED ENROLLED STUDENTS

Sch. No.	Town, SAD CSD, Union		School Name	Grades		Enrollment			Notes:
	Number			Span		Elem.	Sec.	Total	
03	SAD 17		Agnes Gray School	02	06	113	0	113	
01	SAD 22		Newburgh Elem School	00	05	109	0	109	
06	SAD 22		Samuel L. Wagner Middle Sch	06	08	189	0	189	
01	SAD 23		Carmel Elem School	00	04	174	0	174	
01	SAD 23		Levant Consolidated School	00	04	157	0	157	
02	SAD 25		Katahdin Jr High School	06	08	181	0	181	
01	SAD 26		Cave Hill School	00	08	104	0	104	
03	SAD 27		Eagle Lake Elem/Jr High Sch	00	08	125	0	125	
05	SAD 27		St. Francis Elem School	00	08	119	0	119	
03	SAD 27		Wallagrass Elem School	00	06	105	0	105	
01	SAD 28		Elm Street School	00	02	135	0	135	
01	SAD 3		Walker Memorial School	00	06	171	0	171	
02	SAD 30		Mt. Jefferson Jr High Sch	06	08	126	0	126	
01	SAD 34		East Belfast School	03	05	124	0	124	
02	SAD 34		George H. Robertson School	03	05	160	0	160	
03	SAD 34		Governor Anderson School	00	03	161	0	161	
04	SAD 34		Peirce Elem School	00	03	109	0	109	
01	SAD 34		Gladys Weymouth Elem Sch	00	02	106	0	106	
01	SAD 34		Ames Elementary School	03	05	115	0	115	
04	SAD 36		Elementary Learning Center	02	03	151	0	151	
01	SAD 36		Primary Learning Center	00	01	173	0	173	
02	SAD 36		Intermediate Learning Center	04	05	176	0	176	
03	SAD 37		Daniel W. Merritt School (Addison)	00	08	166	0	166	
01	SAD 37		Cherryfield Elem	00	08	167	0	167	
04	SAD 37		Harrington Elem School	00	08	156	0	156	
01	SAD 37		Milbridge Elem School	00	08	135	0	135	
02	SAD 4		Guilford Primary School	00	04	105	0	105	
01	SAD 4		Carroll L McKusick School	00	04	103	0	103	
01	SAD 40		Friendship Village School	00	06	101	0	101	
03	SAD 40		A. D. Gray Middle School	07	08	173	0	173	
02	SAD 40		Warren Primary School	00	02	167	0	167	
01	SAD 40		Prescott Memorial School	00	06	137	0	137	
40	SAD 41		Brownville Elem School	00	05	119	0	119	
01	SAD 43		Virginia School	00	04	181	0	181	
03	SAD 44		Woodstock School	00	05	127	0	127	
04	SAD 45		Washburn District H. S.	09	12	0	172	172	
01	SAD 46		Garland Elementary School	00	03	103	0	103	
02	SAD 48		Hartland Jr. High Sch	07	08	164	0	164	
02	SAD 48		Newport Junior High School	07	08	125	0	125	
01	SAD 48		Palmyra Consolidated School	00	06	155	0	155	
02	SAD 48		St Albans Consolidated	00	06	169	0	169	
10	SAD 49		Fairfield Primary School	00	00	153	0	153	4 yr & Kindergarten
01	SAD 5		Owls Head Central School	03	06	111	0	111	

APPENDIX D

SCHOOLS WITH LESS THAN TWO HUNDRED ENROLLED STUDENTS

Sch. No.	Town, SAD CSD, Union		Grades Span	Enrollment			Notes:
	Number	School Name		Elem.	Sec.	Total	
01	SAD 5	Mclain Elem School	00 05	185	0	185	
03	SAD 5	South School	00 05	198	0	198	
01	SAD 5	Gilford Butler School	00 03	114	0	114	
04	SAD 53	Manson Park School	00 02	155	0	155	
01	SAD 54	Cornville Elem School	00 06	101	0	101	
01	SAD 55	Baldwin Consolidated School	00 07	158	0	158	
02	SAD 55	Cornish Elem School	01 06	123	0	123	
03	SAD 56	Frankfort Elem School	00 05	117	0	117	
03	SAD 56	Stockton Springs Elem School	00 06	125	0	125	
02	SAD 58	Stratton Elem School	00 08	141	0	141	
03	SAD 58	Phillip Middle School	03 08	163	0	163	
04	SAD 59	Athens Elem School	00 08	159	0	159	
01	SAD 59	Old Point Avenue School	00 01	127	0	127	
04	SAD 59	Main Street Elem School	02 04	185	0	185	
01	SAD 6	Eliza Libby Elem School	00 01	125	0	125	
03	SAD 6	Jack Memorial School	00 03	176	0	176	
04	SAD 6	Samuel D. Hanson School	04 05	136	0	136	
06	SAD 6	Steep Falls Elem School	00 03	140	0	140	
01	SAD 61	Sebago Elem School	00 06	156	0	156	
07	SAD 62	Pownal Elem School	00 08	182	0	182	
01	SAD 63	Eddington Elementary School	00 04	184	0	184	
01	SAD 64	Bradford Elem School	00 02	108	0	108	
02	SAD 64	Morison Memorial School	03 05	189	0	189	
01	SAD 64	Kenduskeag Elem School	00 03	117	0	117	
04	SAD 68	Mayo Street School	04 05	178	0	178	
02	SAD 72	Denmark Village School	02 05	101	0	101	
01	SAD 74	Mark Emery Elem School (Anson)	00 08	186	0	186	
02	SAD 74	Garret Schenck Elem (Anson)	00 08	193	0	193	
02	SAD 74	Central Elem School (New Portland)	00 08	136	0	136	
02	SAD 74	Solon Elem School	00 08	111	0	111	
02	SAD 75	West Harpswell Elem Sch	00 06	143	0	143	
04	SAD 77	Elm Street School	00 08	175	0	175	
02	SAD 77	Fort O'Brien School Machiasport	00 08	105	0	105	
02	SAD 8	Lincoln School (Vinalhaven)	00 12	113	53	166	
04	SAD 9	Gerald D. Cushing School (Wilton)	01 02	143	0	143	
01	Sanford	Edison School	01 03	160	0	160	
02	Sanford	Emerson School	01 03	155	0	155	
04	Sanford	Lafayette School	01 03	136	0	136	
05	Sanford	Lincoln School	01 03	127	0	127	
06	Scarborough	Eight Corners Elem Sch	00 02	163	0	163	
08	Scarborough	Elwood G. Bessey School	03 05	135	0	135	
04	U- 48	Dresden Elem School	00 06	145	0	145	
03	U-103	Beals Elem School	00 08	106	0	106	

APPENDIX D

SCHOOLS WITH LESS THAN TWO HUNDRED ENROLLED STUDENTS

Town, SAD		School Name	Grades		Enrollment			Notes:
Sch. No.	CSD, Union Number		Span		Elem.	Sec.	Total	
05	U-104	Shead High School	09	12	0	180	180	
04	U-104	Jonesport Elementary School	00	08	181	0	181	
02	U-104	Perry Elem School	00	08	105	0	105	
03	U-106	Calais Middle School	05	08	172	0	172	
02	U-107	Princeton Elem School	00	08	199	0	199	
01	U-113	Medway Primary School	00	03	121	0	121	
02	U-113	Medway Middle School	04	08	180	0	180	
01	U-42	Mt Vernon Elem School	00	06	160	0	160	
01	U-42	Wayne Elementary School	00	06	130	0	130	
01	U-44	Wales Central School	00	08	187	0	187	
04	U-47	Georgetown Central School	00	06	101	0	101	
01	U-47	Phippsburg Elem School	00	06	195	0	195	
01	U-47	West Bath School	00	06	154	0	154	
01	U-51	Palermo Consolidated School	00	08	152	0	152	
03	U-60	Nickerson Elem Sch (Greenville)	00	05	183	0	183	
02	U-69	Appleton Village School	00	08	166	0	166	
02	U-69	Hope Elem School	00	08	149	0	149	
01	U-7	Dayton Consolidated School	00	06	140	0	140	
03	U-76	Sedgwick Elementary	00	08	120	0	120	
03	U-91	Center Drive School (Orrington)	06	08	142	0	142	
01	U-92	Lamoine Consolidated School	00	08	187	0	187	
01	U-92	Beech Hill School	00	08	117	0	117	
02	U-92	Surry Elementary School	00	08	157	0	157	
02	U-92	Trenton Elementary School	00	08	157	0	157	
01	U-93	Penobscot Elem School	00	08	145	0	145	
01	U-96	Ella Lewis School	00	08	132	0	132	
01	U-96	Winter Harbor Grammar School	00	08	155	0	155	
01	U-98	Tremont Consolidated School	00	08	171	0	171	
06	Waterville	Waterville Kindergarten Ctr	00	00	165	0	165	4 Yr & Kindergarten
							0	
Total Schools		157			22501	874	23375	

APPENDIX E

SCHOOLS WITH LESS THAN A HUNDRED ENROLLED STUDENTS

School No.	Town, SAD CSD, Union Number	School Name	Grade Span	Enrollment Elem.	Sec.	Total	Notes:
02	Auburn	East Auburn School	00 03	97	0	97	
04	Auburn	Franklin Alternative School	10 12	0	91	91	
10	Auburn	Stevens Mills Alternative School	07 09	16	24	40	
19	Auburn	Annie Woodbury School	00 03	84	0	84	
02	Bridgewater	Bridgewater Grammar School	00 06	49	0	49	
03	Caswell	Dawn F. Barnes Elem School	00 08	41	0	41	
02	CSD 12	East Range II CSD School	00 08	43	0	43	
01	CSD 8	Airline Community School	00 08	63	0	63	
03	Easton	Easton High School	09 12	0	77	77	
01	EUT	Connor Consolidated School	00 06	50	0	50	
01	EUT	Kingman Elem School	00 05	48	0	48	
01	EUT	Benedicta Elem School	00 06	31	0	31	
01	EUT	Rockwood Elem School	00 05	21	0	21	
01	EUT	Patrick Therriault School	00 06	27	0	27	
01	Fayette	Fayette Central School	00 05	70	0	70	
03	Grand Isle	Grand Isle Elem School	00 06	62	0	62	
01	Isle Au Haut	Isle Au Haut Rural School	00 08	14	0	14	
01	Long Island	Long Island Elem School	00 05	17	0	17	
01	Monhegan Plt	Monhegan Island School	00 08	9	0	9	
04	Portland	Cliff Island School	00 05	4	0	4	
40	Portland	West School	04 12	41	28	69	
01	SAD 1	Westfield Elem School	00 05	51	0	51	
01	SAD 10	Allagash Consolidated School	00 08	25	0	25	
01	SAD 13	Caratunk School	03 06	7	0	7	
01	SAD 13	C. E. Ball School (West Forks)	00 02	7	0	7	
01	SAD 17	Hebron Elem School	00 03	67	0	67	
01	SAD 17	Legion Memorial School (West Paris)	00 01	33	0	33	
01	SAD 21	Canton Elementary	00 04	65	0	65	
01	SAD 25	Patten Primary School	00 02	45	0	45	
02	SAD 25	Patten Grammar School	03 05	55	0	55	
01	SAD 25	Sherman Elem School	03 05	78	0	78	
01	SAD 25	Stacyville Elem School	00 02	75	0	75	
01	SAD 29	Littleton School	00 06	77	0	77	
02	SAD 29	Wellington School	00 06	90	0	90	
01	SAD 3	Monroe Elem School	00 06	88	0	88	
01	SAD 3	Troy Central School	00 03	55	0	55	
01	SAD 30	Edith A Lombard School (Springfield)	00 05	79	0	79	
02	SAD 30	Lee/Winn School	00 05	93	0	93	
01	SAD 34	Edna Drinkwater School	01 04	67	0	67	
01	SAD 34	Kermit S. Nickerson School	00 02	95	0	95	
01	SAD 4	Abbot Grade School	01 04	18	0	18	
01	SAD 4	Cambridge Elementary School	00 04	38	0	38	
01	SAD 4	Abbie Fowler School	00 04	81	0	81	
01	SAD 4	Wellington Elem School	00 04	10	0	10	
02	SAD 41	Marion C. Cook School	00 05	57	0	57	

APPENDIX E

SCHOOLS WITH LESS THAN A HUNDRED ENROLLED STUDENTS

School No.	Town, SAD CSD, Union Number	School Name	Grade		Enrollment			Notes:
			Span		Elem.	Sec.	Total	
02	SAD 44	Andover Elementary School	00	06	80	0	80	
01	SAD 46	Exter Consolidated School	04	06	66	0	66	
01	SAD 46	Ripley School	99	99	10	3	13	Special Ed
03	SAD 48	Corinna Jr, High School	07	08	66	0	66	
01	SAD 50	Cushing Community School	00	02	31	0	31	
04	SAD 51	Chebeague Island School	00	06	25	0	25	
01	SAD 53	Burnham Village School	00	04	66	0	66	
01	SAD 54	Mercer Elem School	00	02	86	0	86	
01	SAD 54	Smithfield Elem School	04	06	70	0	70	
04	SAD 55	Hiram Elem School	00	05	73	0	73	
03	SAD 55	Fred W Morill School	00	06	74	0	74	
01	SAD 57	Cousens Memorial School	00	00	60	0	60	Kindergarten
01	SAD 58	Phillips Primary School	00	02	63	0	63	
01	SAD 59	Starks Elem School	00	04	49	0	49	
02	SAD 64	Hudson Elem School	03	04	94	0	94	
02	SAD 64	Stetson Elem School	00	04	84	0	84	
01	SAD 65	Matinicus Isle Plt	00	08	9	0	9	
01	SAD 67	Dr. Carl E. Troutt School	00	05	93	0	93	
01	SAD 68	Charleston Elementary School	00	05	95	0	95	
03	SAD 68	Monson Elem School	00	05	67	0	67	
03	SAD 7	North Haven Community School	00	12	56	21	77	
01	SAD 72	Brownfield Consolidated School	00	02	68	0	68	
02	SAD 72	Sadie F Adams School	03	06	3	0	3	Special Ed
01	SAD 74	Embden Elem School	00	08	93	0	93	
02	SAD 76	Swans Island Elem School	00	08	54	0	54	
02	SAD 77	Bay Ridge Elem (Cutler)	00	08	86	0	86	
01	SAD 77	Mary C. Burns School (E. Machias)	00	00	12	0	12	4 YR Old Program
01	SAD 77	Whiting Village School	00	08	35	0	35	
01	SAD 9	Weld Elem School	00	06	47	0	47	
03	SAD 9	Wilton Primary School	00	00	66	0	66	Kindergarten
03	U-102	Jonesboro Elem School	00	08	93	0	93	
02	U-102	Wesley Elem School	00	07	16	0	16	
01	U-104	Charlotte Elementary School	00	08	45	0	45	
01	U-104	Pembroke Elem School	00	08	96	0	96	
02	U-106	Alexander Elementary	00	04	75	0	75	
01	U-106	Robbinston Grade School	00	08	84	0	84	
01	U-108	Vanceboro Elem School	00	08	18	0	18	
01	U-110	Wytopitlock Elem School	00	08	35	0	35	
01	U-122	Stockholm Elem School	00	08	45	0	45	
01	U-49	Edgecomb Eddy School	00	06	81	0	81	
01	U-49	Southport Central School	00	06	41	0	41	
03	U-51	Somerville Elem School	00	08	74	0	74	
01	U-60	Shirley Elem School	00	06	23	0	23	
01	U-74	S. Bristol Elem School	00	08	62	0	62	
01	U-76	Brooklin Elementary School	00	03	35	0	35	

APPENDIX E

SCHOOLS WITH LESS THAN A HUNDRED ENROLLED STUDENTS

School No.	Town, SAD CSD, Union		School Name	Grade Span		Enrollment			Notes:
		Number				Elem.	Sec.	Total	
02	U-76		Brooklin Jr. High School	04	08	55	0	55	
02	U-90		Alton Elementary School	00	05	83	0	83	
01	U-90		Viola Rand School (Bradley)	00	05	86	0	86	
01	U-93		Brooksville Elementary School	00	08	82	0	82	
01	U-93		Adams School (Castine)	00	08	71	0	71	
01	U-98		Longfellow School (Cranberry Isles)	00	08	12	0	12	
02	U-98		Islesford Elem Sch (Cranberry Isles)	00	08	14	0	14	
01	U-98		Frenchboro Elem School	00	08	8	0	8	
12	Windham		Real School	07	12	7	21	28	Special Ed
Total Schools 99						5165	265	5430	

STATE OF MAINE
DEPARTMENT OF EDUCATION

1993-94

**MAINE RESIDENT STUDENTS:
PER PUPIL OPERATING COSTS**

<u>SCHOOL ADMINISTRATIVE UNITS</u>	<u>OPERATING COST</u>	<u>AVERAGE RESIDENT PUPILS</u>	<u>PER PUPIL OPERATING COST - K-12</u>	<u>NUMBER OF UNIT</u>	<u>AVERAGE NUMBER PUPILS</u>
SINGLE MUNICIPALITIES ONLY	\$360,087,798.54	76,323.5	\$4,717.92	68	1,122
UNION MUNICIPALITIES ONLY	\$129,527,864.07	28,953.0	\$4,473.73	111	261
S.A.D.s ONLY	\$404,725,458.71	98,158.0	\$4,123.20	73	1,345
C.S.D.s ONLY	\$48,618,764.76	10,316.5	\$4,712.72	12	860

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DRAFT

REGIONAL GOVERNANCE

The regional education concepts envisioned by this committee will require fundamental changes in Maine's school governance system. The changes will be highlighted by:

- A building **Principal** with strengthened site-based decision making authority working collaboratively with a diverse **School Advisory Council**
- A **Superintendent of Instruction Curriculum and Assessment** working cooperatively with high performance **Local School Boards** supporting an increased focus on instructional policy and classroom teaching and learning
- A **Superintendent of Regional Support** and a **Regional Board** working together to develop a broad regional approach to education support services
- A **Leadership Council** supporting the mission vision and long term goals of the region and providing the leadership for efficient, equitable, high quality education for all students

Local School Unit

The focus of this Committee's work has been to enhance the quality of classroom teaching and learning. Education reform in Maine must include strong parent community support and increased decision making authority at the building level. Empowered principals and teachers working together with school advisory councils are part of a broadened movement of school reform and renewal, particularly toward shared decision making. Maine School Councils would be established in every school in Maine as a very fundamental element of school governance reform recommended by this Committee. The size and membership of the council would be locally permissive to encourage creativeness and a good blend with the community but the characteristics would always be to enhance learning opportunities by being broadly inclusive and integrating the community into the decision making process.

Maine School Councils will enhance their effectiveness when they communicate with the broader school community. Parent members would report to parent organizations, teacher members to their departments, students to the student council, community members to their organizations and so forth. These liaisons will increase people's sense of participation and make for decisions that are more broadly shared.

Effective Maine School Councils must begin with effective training. The plan envisioned by this Committee includes training coordinated at the regional level and available to all school council members locally. Such training would cover topics like group decision-making, conflict resolution, and building group culture. Without adequate preparation, members could assume familiar authoritarian or passive roles and to think in individualistic rather than corporate terms.

Maine School Councils

A School Council will be established in every public school in Maine. The superintendent of Instruction and the principal of each school will be responsible to ensure the establishment of such council. A single council may be established in cases where one principal serves more than one school.

Composition

Each School Council will have a minimum of five members and a maximum of 11. The final membership must constitute an odd number of members. The composition of each council will be as follows:

- Parents of children attending represented school will be elected by parents of that school (e.g., through a Parent/Teacher Association meeting); over 50 per cent parent representation on council; parents elected must not be employees in the school. (voting members)
- principal, an ex-officio member (non-voting)
- teacher(s), an ex-officio member elected by the teachers in the school (voting members)
- student(s) elected at the high school level (voting members)
- Optional: community member(s) [appointed by parent members] and/or non-teaching school staff [appointed by the non-teaching school staff] (voting members)

Term of Position and Elections

- 2-year term, staggered (renewable)
- Parent members will be elected by the parents of the school; teacher member(s) will be elected by teachers in the school; student member elected by students in the school; and, other members will be by appointment.

Role and Responsibilities

The role of the each School Council will be to advise the principal on matters that directly impact the students in the community school; and to provide a school communication link with parents.

The principal will present to the School Council the school educational plan for the year. The principal will report on the results of school achievement, student performance, and school improvement, and on the use of various school funds.

It will be the responsibility of the School Council to

- participate in setting the school mission;
- participate in establishing school improvement plans;

Maine School Councils

Role and Responsibilities, con't.

- review results of the School Performance Reviews;
- chair of School Council, or their designate, to sit on selection committee for hiring of principal;
- provide suggestions on improving the physical plant and facilitating use of the school by the community;
- advise on the development of a school climate and conditions which will increase the quality of learning and teaching;
- provide suggestions for establishing a positive student climate within the school;
- assist in the establishment of a plan to provide communication between school and families, to encourage family involvement in the school, and to promote and foster programs for the development of parental educational support, and,
- participate in the establishment of partnerships within the community.

Role and Responsibilities Do Not Extend to:

- Responsibilities expressly reserved to the principal by statute and by School Board Policy:

Day-to-day operation of the school;

School budget ~~and the expenditure of funds;~~ and

Staff evaluation ^{APPROVAL}

- Responsibilities expressly reserved to the School Board and the Superintendent of ~~Instruction~~ ^{INSTRUCTION} by statute and School Board policy:

Employment and assignment of staff;

Preparation, adoption, and management of the budget;

Adoption of instructional materials and approval of curriculum;

Policy development;

Collective bargaining; and

Design of the school calendar.

Meetings

- The School Council will establish a schedule of regular meetings ~~Minimum of four times per year; first one to be held within three weeks after school starts~~
- Principal and chair (elected by members of the School Council) will determine agenda and meeting dates and times.

REGIONAL GOVERNANCE MODEL

LOCAL INSTRUCTIONAL UNIT

LOCAL INSTRUCTIONAL BOARD
Local Instructional Policy (Elected)

SUPERINTENDENT
INSTRUCTION CURRICULUM
& ASSESSMENT

REGIONAL SUPPORT UNIT

REGIONAL BOARD
Regional Support Policy

SUPERINTENDENT
REGIONAL SUPPORT

LOCAL SCHOOL UNIT

PRINCIPAL

SCHOOL COUNCIL
School Advisory



Digest 89 -- May 1994

School-Site Councils

by David Peterson - del Mar

School-site councils are part of a broader movement of school reform and renewal, particularly toward shared decision-making. At their best, they are a broadly representative group of people who skillfully blend diverse experiences and viewpoints into wise decisions that are effectively carried out.

Site councils are easy to mandate, much more difficult to create. They require their members to leave behind accustomed roles and compromise strongly held beliefs. They consume a great deal of time and energy. They require both good intentions and skillful execution.

Although school-site councils decentralize authority on a grassroots level, their authority does not typically impinge on the authority of the district office or school board.

What Are the Possibilities of School-Site Councils?

Site councils, if created and operated appropriately, can be a very useful component of school renewal and reform. Increasing the pool of decision-makers can make both for better decisions and for better implementation of those decisions.

The most obvious advantage of group decision-making is that it brings the experience and expertise of many people to bear on a problem. This can be especially useful for a complex institution such as a school, where no single administrator is likely to have the knowledge or skills to make consistently effective decisions. Seven heads, or ten, are usually better than one.

The very process of skillful group decision-making facilitates implementing those decisions. Jeffrey W. Eiseman and his colleagues (1989) note that "school improvement teams. . . greatly enhance the flow of accurate information regarding implementation within the school" and reduce "detrimental rumors." Moreover, people are more likely to act on decisions that they had a hand in making.

By integrating the community into the decision-making process, site councils undercut the influence of a single strident and persistent voice and give weight to the more subdued and representative whole.

These well-known benefits of group decision-making will be largely wasted, however, if the site council does not focus on important issues. Will the council decide which rooms get carpets and how lunch duty is assigned, or will its central mission be to spearhead renewal of the instructional program? As David T. Conley (1993) writes, "When educators consider strategies for increasing stakeholder participation in decision-making, they might benefit by asking one question first: Why are we doing this?"

What Are Some Common Difficulties of Site Councils?

As discussed above, site councils have considerable potential for improving the decisions that a school makes and its implementation of those decisions. But there are many potential pitfalls in this process.

In the first place, an effective school-site council requires its members to assume new roles. Principals, for example, must learn to share authority. Teachers, in particular, may hesitate to challenge or disagree with

the building supervisor. Remarked a Salt Lake City teacher/site council member: "Trying to push issues gets one in trouble" (Malen and Ogawa 1985). Teachers on that city's site councils commonly feared "that parents might 'stir up problems that don't really need to be addressed'" (Malen and Ogawa). A parent on a South Carolina site council complained that "sometimes things come up and if there's a bit of argument, it fizzles out" without resolution (Monrad and Norman 1992).

Malen and Ogawa conclude that Salt Lake City site councils, though intended to restructure top-down decision-making, had in fact furthered traditional relations of power within the schools. School-site councils create the possibility of shared decision-making, but they cannot guarantee that principals, other staff, and parents will in fact be able to overcome old habits to do the hard work of sharing authority.

Lack of time can hamstring even school-site councils that are able to break old patterns. A high school assistant principal noted that some staff regard school-site councils primarily "as a whole lot more work" (Peterson - del Mar 1994). Teachers and other staff members find their numbers shrinking and their responsibilities expanding. It is a cruel irony that shared decision-making is gaining momentum at a time when staff find it increasingly difficult to participate in it.

What Are the Characteristics of Effective Councils?

Effective school-site councils begin with effective training. "Not very many teachers, parents, or administrators for that matter have been trained in group process," notes Bill Kentta, an administrator with the Eugene (Oregon) School District (Peterson - del Mar). Such training should cover topics like group decision-making, conflict resolution, and building group culture. Without adequate preparation, group members are apt to assume familiar authoritarian or passive roles and to think in individualistic rather than corporate terms.

Effective site councils are also characterized by diversity. Even the most homogeneous school is in fact highly diverse, containing both women and men, children and adults, administrators, teachers, classified staff, parents, and community members. Growing numbers of schools also contain an expanding spectrum of ethnic or racial groups and social classes. Councils that are broadly inclusive bring the strength and experience of each group to the council.

Finally, site councils enhance their effectiveness when they communicate with the broader school community. Parent members can report to parent organizations, teacher members to their departments, and so forth. These liaisons increase people's sense of participation and make for decisions that are more broadly shared.

Site councils should also be sensitive to the fact that they, too, are subject to a larger authority: the school board and the superintendent. Site councils should respect the limits of their power and expect to be held accountable for the results of their decisions.

What Is the Principal's Role?

It is easy to see why some principals would feel threatened by the creation of site councils in their schools. The council's *raison d'être* is that decision-making by the principal alone is somehow deficient and in need of supplementation by others: teachers, classified staff members, parents, other community members, even students. Those principals who resist the formation of a council, however, or who attempt to undermine its functioning forfeit an opportunity to exercise a potent style of leadership that can help to transform their schools. Principals who learn to exercise power through, rather than over, others create conditions in their schools for all personnel to work together to achieve valued outcomes (Conley).

Etheridge and her colleagues (1990) surveyed a number of site councils in Tennessee and concluded that the ideal principal had a democratic style in relating to other council members. Such principals possessed "a well defined view of what needed to be done to improve the school," but they also actively sought input from others, accepted that their point of view would not always prevail, and believed that others could make sound choices.

What Is the Relationship Between Site Councils and Other Decision-Makers?

Districts that do not have a policy or mechanism for spelling out the authority of school-site councils are "asking for trouble," in the words of Kentta (Peterson - del Mar). Such a policy specifies the relationship between the district and the site councils. The board might specify that site councils cannot deviate from a district's strategic plan, for example. It also might specify that site councils can seek exemptions from district policy on a case-by-case basis. Open communication can help to ensure that site councils do not overstep their boundaries and can avoid painful vetoes and consequent hard feelings.

The district's decision-makers and the site councils ideally work together, in concert. Jim Carnes of the Oregon School Boards Association argues for "a district vision and a school version" of it, a coordination that brings "alignment" and "power" (Peterson - del Mar). School-site councils function best when they are part of a larger reform movement within the school and within the district.

School-site councils, at their best, are essentially grassroots democracy. They therefore depend on people's commitment to participate in the democratic process. This means sharing power and responsibility, obtaining the necessary training and education, and then diligently applying it.

The mere presence of a school-site council means very little. Only the committed and skillful participation of the school community can breathe life into its form.

Resources

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ERIC Digest 99 -- July 1995

School-Based Management

By Lori Jo Oswald

School-based management (SBM), defined as the decentralization of decision-making authority to the school site, is one of the most popular strategies that came out of the 1980s school reform movement. Over the past decade, many school districts have implemented this method of managing school budgeting, curriculum, and personnel decisions and are enthusiastically promoting it.

Proponents of SBM say that it provides better programs for students because resources will be available to directly match student needs. Also, advocates assert SBM ensures higher quality decisions because they are made by groups instead of individuals. Finally, proponents argue that it increases communication among the stakeholders, including school boards, superintendents, principals, teachers, parents, community members, and students.

But others are not so sure that SBM accomplishes any substantial changes. Anita A. Summers and Amy W. Johnson (1995) conclude that there is "virtually no evidence that SBM translates into improved student performance." This Digest summarizes some of the recent research regarding SBM. In particular it addresses two questions: (1) Is SBM working? and (2) What can schools changing to an SBM system do to ensure success?

What Type of SBM System Works Best?

Part of the problem with evaluating SBM is that there are so many variations on how it is put into practice. In an SBM system, authority can transfer from the state government to school boards, from school boards to superintendents, from superintendents to principals, from principals to other members of the school community such as teachers and parents, or some combination of two or more of these.

Not only are there variations about how SBM is practiced, but schools and districts implementing SBM vary widely in what decisions are distributed. For example, a school may have an active school council--made up of teachers, parents, and the principal--involved in drawing up budgets, hiring and firing, and determining curriculum. Other school councils merely advise the principal in such decisions. Or the council membership might be only teachers, or the council's decisions may be limited to such topics as fundraising or textbook selection.

For SBM to work successfully, the principal must use a team approach to decision-making. If this is done, supporters of SBM say, teachers will feel more positive toward school leaders and more committed to school goals and objectives. Parents and community members will be more supportive of schools because they have more of a say over decisions.

Principals benefit by receiving input from other stakeholders, thereby being aware of teacher and parent concerns before they get out of control, as well as being freer to research new ideas and teaching methods and deal with problem areas.

How Successful Is SBM?

Research has not found a link between SBM and gains in student academic achievement, lower dropout

rates, increased attendance, and reduced disciplinary problems. But as Wohlstetter and colleagues (1994) explain, "Improving school performance may be an unrealistic expectation for a governance reform that alters the balance of power within educational systems toward schools."

Drury and Levin (1994) say that SBM contributes to four "intermediate" outcomes, which in turn have the "potential" to lead to improved student achievement: increased efficiency in use of resources and personnel, increased professionalism of teachers, implementation of curriculum reform, and increased community engagement.

High-performing SBM schools have combined the governance reform of SBM with "an overall push for curriculum and instructional reform," says Wohlstetter (in Oswald 1995). With this combination, she argues, councils can focus on ways to "improve student academic performance and make schools more interesting places to work." Without that combination, "SBM becomes a political reform whereby the council at the school site ends up spending its time deciding who is empowered and who isn't."

Some schools do not make instruction their top priority. For schools implementing SBM, the advice from researchers and educators is clear: conduct frequent assessments and focus the stakeholders' attention on instruction instead of politics.

What Problems May Be Encountered?

Some of the problems that SBM stakeholders might encounter include more work for stakeholders, less efficiency, uneven school performance, an increased need for staff development, confusion about new roles and responsibilities, and coordination difficulties (Prasch 1990). Another problem is accountability. A school may want authority over decisions, but the public (and state statutes) will still hold the school board accountable for the results of those decisions. State and district policies may also require school board and district involvement. SBM is a "complex undertaking, raising multiple policy issues involving lines of authority for making decisions and responsibility and accountability for the consequences of such decisions," warns the National School Boards Association (NSBA) (1994).

Barriers that may prevent SBM from being implemented successfully include lack of knowledge by stakeholders of what SBM is and how it works; lack of decision-making skills, communication, and trust among stakeholders; statutes, regulations, and union contracts that restrict decision-making authority and teachers' time involvement; and the reluctance of some administrators and teachers to allow others to take over decision-making authority.

When stakeholders are informed beforehand, they can make sure each barrier is dealt with before SBM is implemented. Two essential elements are adequate training about SBM and clarification of roles and responsibilities and expected outcomes to stakeholders. Also, advises the NSBA, all involved must understand "which decisions should be shared, by whom, and at what level in the organization."

What Are the Responsibilities of Stakeholders?

Although there are many varieties of SBM, a review of studies on SBM and interviews with its practitioners led to the following generally accepted descriptions of stakeholders' roles and responsibilities.

The NSBA recommends that district policies "should focus the attention of shared decision-making teams on developing and implementing a plan for improving student learning." This can be accomplished by the district setting "measurable goals linking the vision of the district's future with its action plan for getting

there." Through such a plan, the school board can ensure "coherence and continuity throughout the district and over time."

The key word that describes the administration's role in SBM is facilitate. The district office facilitates instead of controls schools' actions by formulating and defining the district's general policies and educational objectives. The superintendent and district office also provide professional development opportunities, encourage risk-taking and experimentation in teaching methods, serve as models by using SBM themselves, and create communication links between the school and district staff (David 1989).

At the building level, the principal is usually the key figure in fostering shared governance within the school. Principals not only have increased responsibility and authority in school program, curriculum, and personnel decisions, but also increased accountability for student and program success. Principals must be excellent team leaders and delegators.

Teacher empowerment and accountability are major ingredients of SBM. Teachers influence decisions by participating in planning, developing, monitoring, and improving instructional programs within the school.

Involvement of parents is essential to successful implementation of SBM. Ultimately, the argument for parent involvement rests on two benefits to children: better attitudes toward school and higher grades.

What Is the Best Way to Change to an SBM System?

To ensure SBM success, stakeholders need to understand what SBM is and how it is implemented. Each participant must understand his or her new roles, responsibilities, and accountability. School and district leaders must be supportive of SBM and ensure that communication channels will be kept open. Most of all, SBM must be given time to succeed; researchers recommend anywhere from three to fifteen years' minimum commitment to SBM.

Schools changing to an SBM system should do the following: make sure there is a firm commitment to SBM at the state, district, and school levels from the outset; seek out a qualified SBM consultant; be willing to accept that during the transition mistakes will be made; and reward stakeholders for performance.

RESOURCES

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National School Boards Association. *Shared Decision Making*. NSBA Series on School Board Governance. Alexandria, Virginia: Author, December 1994. 8 pages. Oswald, Lori Jo. *School-Based Management: Rationale and Implementation Guidelines*. OSSC Bulletin Series. Eugene, Oregon: Oregon School Study Council. March 1995.

Digest 84 -- May 1993

The Changing Role of School Boards

by Ellen Todras

During the past decade, the fundamentals of American education have been examined with a fine-tooth comb. As consensus grows that the current educational system is largely unable to keep pace with the nation's changing needs, more attention is being devoted to reform. Areas touched by reform efforts include school choice, school-based management, teacher effectiveness, national goals, and student assessment, to name a few.

Recently, school governance has also come under scrutiny. Local school boards--"the traditional linchpin of American educational governance" (Twentieth Century Fund 1992)--are encountering criticism from several sources: state governments, educational experts, and the very populations they attempt to represent.

What Problems Undermine School Board Effectiveness?

Frustration with school boards has reached crisis proportions in several "hot spots" across the nation. In Chicago, for example, most decision-making authority has been transferred to elected local school councils. Kentucky's Education Reform Act of 1990 grants far-reaching powers to the state and to local school councils (Pipho 1992). And in 1991 the state of Massachusetts abolished the nation's first elected school board in Boston and replaced it with one appointed by the mayor.

The problem seems to be exacerbated in large cities, where schools struggle to meet the needs of an increasingly diverse population in an increasingly dangerous setting. Although only 4 percent of American school districts enroll more than 10,000 students, almost half of our nation's students attend these districts (Olson and Bradley 1992). The size of such districts is in itself a problem.

In addition, school board-superintendent relations in large cities often fare poorly. In 1990, twenty of the twenty-five largest central city superintendencies lay vacant (Twentieth Century Fund). Most superintendents in large cities stay only an average of three years. Those who leave cite confusion of roles between the school board and the superintendent as one of the greatest causes for resigning (McCurdy 1993).

Perhaps the greatest problem facing both rural and urban school boards is their tendency to micro-manage and become bogged down in minutiae. In Tucson, Arizona, for example, the school board met 172 times in one year. In West Virginia, a five-year statewide study of board minutes found that boards spent only 3 percent of their time on policy development and oversight, compared to 54 percent on administrative matters (Olson and Bradley).

Today, the very legitimacy of school boards is being called into question. Turnout for school board elections is alarmingly low; in New York City only 7 percent of registered voters may cast ballots in board elections. In addition, those who are elected increasingly consider themselves advocates for special interest groups (Schlechty 1992). When members represent narrow interests, board effectiveness suffers.

What Reforms Have Already Been Enacted at State and Local Levels?

In some localities reform of school governance is already under way. A widespread method of reform is school-based management. The entire state of Kentucky has reformed school governance in this way, as have many school districts, including Rochester, New York, and Miami, Florida. Chicago uses a modified school-based management plan in which elected local school committees select the principals and help guide instructional reform (Twentieth Century Fund).

Some districts contract out school management. In Chelsea, Massachusetts, for example, the school system is run by Boston University.

The charter school, a third model, is a sequel to the concept of school choice. A charter school is an entirely new school set up by a qualified group or institution. A responsible public body, such as a school board, officially sponsors the school, which must be free, open to all, and nonsectarian. California and Minnesota are two states experimenting with charter schools.

Perhaps the most radical school governance reform would be modeled after the system in Hawaii, where the state directly runs the schools. Under this model, school boards simply do not exist.

What Additional Reforms Have Been Proposed?

In April 1992 a task force convened by the Twentieth Century Fund and the Danforth Foundation released a report on the current system of school governance and made recommendations for reform. Just months later, another major report was published by the Institute for Educational Leadership (IEL).

There is considerable overlap between recommendations made by the Twentieth Century Fund and the IEL, since two of the three authors of the IEL study also served on the Twentieth Century Fund task force. Both reports propose comprehensive reforms of our school governance system:

- * School boards should be transformed into education policy boards, which would be responsible for establishing and overseeing policy, not implementing it. States would repeal all current regulations regarding school boards, and instead establish performance criteria to hold policy boards accountable for student progress.
- * Children and Youth Coordinating Boards should be established to link and coordinate the delivery of services for children with multiple needs (Twentieth Century Fund).
- * Large-city school boards in particular should strive to develop a close relationship with city government "to ensure the coordination of youth services" (Twentieth Century Fund).
- * Several recommendations were proposed to increase legitimacy of school boards. To increase voter turnout, school board elections should be held in conjunction with general elections. In addition, the state should refuse to certify a school board election unless at least 20 percent of the voters turn out. Finally, candidates' financial disclosures should not be "so intensive that it discourages citizens from serving" (Twentieth Century Fund).

In addition to recommendations contained in these two reports, a host of other experts offer proposals for changing the system. Paul Hill of the RAND Corporation, for example, believes in separating governance from delivery of services. Boards would set goals and contractors would deliver them, under his plan (Harrington-Lueker 1993).

James Guthrie, professor of education at the University of California-Berkeley, advocates

down-sizing--breaking large urban districts into more manageable units. The state of Ohio is considering such subdivisions (Harrington-Lueker).

the American Federation of Teachers, has suggested restricting school board meetings to once a year. Such a change would "force boards to concentrate on their primary task of setting general educational goals" (Hildebrand 1992).

How Would Proposed Changes Affect the Power of School Boards?

Since the 1980s school boards have been experiencing erosion of power. State regulations have eaten into school board authority from above, while teacher unions and school-based management have worn away at it from below. Instead of viewing recent increased state involvement as usurping school board authority, Conley (1993) sees it as an opportunity for schools to focus their attention on "issues of internal coordination and quality control."

Some proposed innovations in governance might actually provide a welcome respite for school boards. Ted Kolderie, of the Minneapolis-based Center for Policy Studies, sees boards associated with charter schools as having greater flexibility as buyers of education (Harrington-Lueker).

In general, school boards and administrators believe they work best together when there is flexibility between the policy-making and administrative arms of governance (McCurdy). This appears to be in conflict with many recent proposals that advise eliminating any administrative board functions.

What Do School Boards Think of These Changes and Recommendations?

With many in the education community taking "pot shots" at school governance, it would be naive to think that school boards would not respond. Thomas Shannon, executive director of the National School Boards Association, contends that the Twentieth Century Fund task force report "searches for education scapegoats in school boards" (1992). The task force, he notes, criticizes school boards for obstructing change but fails to take into account the fact that often "neither the funds nor the public are there to support the changes." In addition, Shannon charges that the task force recommendations undercut "the American institution of representative governance of public education."

Some experts note that with the educational landscape shifting so rapidly, school governance systems cannot expect to remain static (Olson and Bradley). Others suggest that school boards may lose local control entirely if they do not keep pace with overall reform efforts (Harrington-Lueker). Then again, it is possible that the current wave of criticism will pass and school boards will remain relatively unchanged.

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DRAFT

MINUTES -- REGIONALIZATION GOVERNANCE SUB-COMMITTEE MEETING 6-26-96

Present: Jim Rier, Marilyn Burton, Dan Calderwood, Terry McCabe, Ray Poulin and Tom Perry, Suzan Cameron (Guests: Bob Hasson, S.A.D #51 and Paul Brunnell, MSMA)

Opening Remarks:

Jim Rier updated the group on the \$30,000 from the Governor's Contingency Fund for Regionalization research to the Education Research Institute. These funds were requested by John Martin to study administrative regionalization.

There was talk of up-coming costs (budget cost analysis and pilot projects)

Suggested to use/contact Walt McIntre and David Silvernail.

Notes:

School Councils Model revisions?

Councils should use a consensus decision making model vs. a voting method

Representation should include students at the middle school level

Model should include a method to communicate to the School Council to support better representation of the school

Model should set up a structure to follow but allow flexibly to meet the needs of individual schools -- find a balance.

Balance between permissive ideas vs. set-in-stone structure -- framework that allows them to figure out what a locality needs.

Expectations	How to do this &
Charges	representation to fit unit

In some states teachers make-up 51% of council

This model is community based.

Policy--

100's of policy topics -- major topics that school boards should be dealing with.

Isolate curriculum & instruction demonstrate what are macro policy school boards should be dealing with

Superintendents do not have instructions in legislative roles of school boards.

Major policies school boards OUGHT to be dealing with -- school boards need instruction in administrative procedures.

Isolating the major roles (curriculum & instruction) and not mandated areas -- get out of micro-managing.

Paul Brunnell suggested the following book:

“Is There A Public for Public Schools?” by David Mathews - Kettering Foundation Press, Dayton, Ohio \$10.00

Bob Hasson talked about the Casco Bay Alliance -- they eliminated school boards and went to school councils.

He talked about the “Carver Model” -- high performance boards really focused on ends (outcomes) -- rule need to be explicit.

Looking for continuity on Regional Boards and School Boards.

Need to pull-in performance indicators “Dave Silvernail” in the Model -- here are some indicators to consider.

Characteristics of successful School Councils should design in training!

Lack of continuity -- over 100 changes in Superintendents in last 3 years, 400-500 changes in the 1800 school board members.

A certain level of professionalism and a governance structure that is stable is needed.

1800 school board members -- are they really all qualified to do this?

School boards currently -- lack of continuity and consistency

Limit the number of school boards.

School boards really must be mission directed

Do an experimental Model -- Margaret Chase Smith Center - “Carver training”

Access for Teacher & Principals to training on:

- facilitating meetings
- team dynamics
- conflict management
- leadership & decision training

Do this at colleges & training institutes -- Gordon Donaldson training -- based on support structure

Resources--

NEA teachers "Mastery in Learning"

\$2 million for staff development \$8 per student or \$10 per student if regionalized to prevent waste -- needs to be organized (look to MEA?)

Miscellaneous--

Jim & Suzan to draft how a new school board would look from suggestions made by Governance Sub-committee -- **FAX TO SUZAN 287-8531.** and information from Paul Brunnell

High performance Board - focus on big goals

Administrative rules to support Councils -- budget building, personnel, etc.

Region is some sort of collaborative.

Vision of meeting only quarterly.

Budget building site based.

Mission directed decisions -- consensus model decision-making -- as soon as possible (2/3 consensus)

Next Meeting: To be announced

DRAFT**MINUTES -- REGIONALIZATION GOVERNANCE SUB-COMMITTEE
MEETING 4-24-96**

Present: Jim Rier, Marilyn Burton, Dan Calderwood, Terry St. Peter, Ray Poulin and Suzan Cameron

Opening Remarks:

Jim Rier updated the group on the Regional Workshop of Collaborative groups, where he spoke on the progress of the "Regionalization Committee" and participated in questions and answers as part of a panel.

Jim, also, talked about the North Dakota Initiative which was headed towards collaboration and failed when they got tied up in the "consolidation" issue.

Notes:

Look at Vocational Region governance.

School Councils --**Members**

- Parents of children attending
- Principal
- Teacher
- Student (high school level)
- Other

Roles to be defined

- Hiring
- Curriculum/Program Review & Evaluation
- Calendar
- Facilities
- Education policy/procedure, mission
- Community participation

Followed New Brunswick Model for School Parent Committee for Maine's new School Councils and made revisions.

Maine's new School Council model will be type and distributed by mail.

S.A.U.'S -- School Systems -- Sub Regional Level**S.A.D.'s**

Site based council - define roles & responsibilities

District School Board -- redefine roles & responsibilities (focus on policy issues, limit number of times they have to meet and representatives from council on board [voting/non-voting?])

Municipalities

Site based council - define roles & responsibilities

School Board -- redefine roles & responsibilities (focus on policy issues, limit number of times they have to meet and representatives from council on board [voting/non-voting?])

Unions

Site based council - define roles & responsibilities

School Board -- redefine roles & responsibilities (focus on policy issues, limit number of times they have to meet and representatives from council on board [voting/non-voting?])

Union Board -- only purpose is for hiring of superintendent

Referendum voting for unions?

Permissive -- chairs of school council serve as voting members on school board -- coinciding terms.

Suzan will put together the current roles & responsibility for Maine's school boards, district boards, vocational region boards.

Next Meeting:

DRAFT

MINUTES -- CONSOLIDATION COMMITTEE MEETING 2-13-96

Present: Andy Ayer, Jim Rier, David Fuller, Peter Kovach, Georgia Carroll, Ray Poulin and Suzan Cameron

Opening Remarks:

Andy Ayer announced that Jim Rier would taking over as head chair of this committee.

Jim Rier updated the committee on the presentations of the report to the State Board of Education, Maine Lead and the Joint Standing committee on Education and Cultural Affairs.

Ray mentioned getting the superintendent regions displayed on a map by G.I.S. -- Suzan and Ray will work on this,

Pending Legislation:

L.D. 1124 is Libby Mitchell's bill incorporating the recommendations of the Rosser report. It does specify the establishment of a consolidation committee. Ray P. said he has spoken to the chair of the Education committee "Mary Small" informally that this section in the bill will be deleted and our consolidation committee will continue as the official consolidation committee.

L.D. 1560 -- copies distributed at meeting. *Per Mike Higgins, analyst for the Office of Policy and Legal Analysis, this bill (sponsor Libby Mitchell) was held over from last session as a fall back vehicle for the Democrats and may be used to establish a task force to look at different sources for funding education -- tax bases.*

Work Plan & Timelines:

Jim distributed a handout on the workplan timeline. There was discussion about setting up sub-groups to work on the details of the multi-level governance framework. This needs to be completed before defining regions and sub-regions and doing a budget and cost analysis.

In the area of budget and cost analysis -- Dave Fuller suggested getting an MBA student intern and suggested Thunderbird University in (Arizona or New Mexico?). Ray suggested getting a MBA from Harvard and will contact Bill Nave (Teacher of the Year) who is currently a graduate student at Harvard

The committee decided to establish three sub-groups, Governance, Operations and Human Resources. These areas need to be detailed first then the Learning Systems can be put in place.

The committee established the following sub-groups:

GOVERNANCE -- Terry St. Peter, Terry McCabe, Jim Rier (Ray Poulin)

School Boards

School Councils

Leadership Roles

Role of the Department of Education
Funding

HUMAN RESOURCES -- Peter Kovach, Georgia Carroll, Ellie Baker

Union Contracts

Transitional Issues

- early retirement
- benefits

OPERATIONS -- Andy Ayer, Dave Fuller, Hugh Farrington

Business Services

- reporting

Technology

Transportation

Food Service

Maintenance

Plant

- Construction
- Consolidation
- Capital Improvement

Health

Each sub-group would enlist help of knowledgeable personnel in the area. Suzan will provide list of Business Administrators, Health Directors & Nurses, Supervisors of Transportation and Supervisors of Buildings and Grounds to the appropriate groups. *These committees should be formed by March 15th.*

The committee felt the sub-groups should have structured guidelines -- the following resulted:

DRAFT -- GUIDELINES

Purpose: *First, to enhance learning opportunities and , second, to improve efficiency.*

Timeline: *May 1, 1996*

Results: *Written reports to the committee -- preliminary and final.*

Preliminary:

1. Define the elements of each category.
2. Identify Stakeholders
3. Craft how elements fit into the regional matrix.

Final:

4. Identify problems and opportunities.
5. Desired results.
6. Will this meet the purpose of this committee.

7. How does this meet the equity question?
8. Improvement of the delivery system including identifying how technology will improve the system.
9. How do these enhance the role of the teacher? Will this enhance the instructional time for the teacher.
10. Do the outcomes support and assist the implementation of the guiding principles of the Learning Results.

Next Meeting: April 9, 1996, 12-4:00 p.m. In Augusta -- there was some discussion about holding some sub-group meetings in the morning.

State Board of Education Regionalization Committee

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DRAFT - Work of Operations Subcommittee
Regionalization Committee
September 17, 1996

The Subcommittee reviewed the draft of the results of its August 28, 1996 meeting for appropriateness and completeness. Changes (underlined) were agreed upon as follows:

Guiding Principles

- Supports enhanced learning opportunities.
- Improved utilization of limited resources.
- Respectful of local cultures.
- To collaborate and cooperate.
- No effort to target particular jobs.
- Each job to be filled will be evaluated for real need.

The areas where there were opportunities for improved educational learning opportunities and improved use of limited resources were developed as follows:

Business Services -Possible Consolidation and/or Outsourcing

1. Payroll.
2. Purchasing, accounts payable, and accounts receivable
3. Financial management.- cash, borrowing, scholarships.
4. Benefits management.
5. Regional Management Information Systems (MIS)
6. Grant applications management.
7. Legal services (particularly if school boards change)

Consolidation, Construction, Capital Improvement, Maintenance

1. Regional 10 year facilities plan. (concerns were expressed over the lack of flexibility and the questionable cost/benefit relationship of regulations).
- ~~2. Establish long range educational goals for the region.~~ Move to Learning Section.
3. Expertise in establishing vision and needs.
4. Establish better equity within regions.
5. Consistent maintenance programs.
6. Regional training programs
7. Flexibility for specialized facilities.
8. Improved response to regulations. (Educators should participate in developing regulations)
9. Maximize prudent use of outsourcing.
10. Improved and coordinated response to community facility needs.
11. Coordinated and consolidated school/municipal services such as plowing, sanding, road repair, etc.

Food Service (New Federal regulations require regionalization)

1. Purchasing/outsourcing opportunities.
2. Menu planning.
3. Nutrition director and or planning.
4. Managing paperwork and reporting.
5. Management of food preparation.

Health and Social Service (Should be moved to Learning Section)

1. Special education.
2. Elementary and secondary guidance.
3. Child development services.

Technology

1. Purchasing.
2. Maintenance and upgrading
3. Coordination of hardware and software.
4. Systems management.
5. Technology plan (3-5 years).
6. Regional training.
7. Inter and intra school links.

Transportation

1. Purchase, maintenance and utilization of equipment.
2. Driver and discipline training.
3. Standardize bus types and parts.
4. Equipment pools.
5. Insurance.
6. Drug testing.
7. Coordinate athletic and special transportation runs.
8. Bulk fuel purchase.
9. Potential outsourcing of purchasing or services listed above.
10. Coordination of education calendars.

The subcommittee also suggested that all areas of education be considered and evaluated for feasibility of outsourcing. A caution was given that depending on the content of labor contracts may be necessary to deal with the National Labor Relations Board when considering privatization which can be a difficult task.

Attending the meeting were Jim Rier, Rayette Hudon, Dave Fuller, Bob Hasson, Emil Genest, Wes Bonney as well as Judy Malcolm from the Department of Education.



State Board of Education

STATE HOUSE
STATION 23
AUGUSTA, MAINE 04333

MEMORANDUM

TO: Operations Subcommittee of the State Board of Education's Regionalization Committee

FROM: Wes Bonney, Chair

DATE: September 3, 1996

The next meeting of the Operations Subcommittee will be Thursday, September 17, 1996 from 2:00 - 5:00 p.m. at the office of the Maine School Management Association, 49 Community Drive, Augusta.

The principle business to accomplish at that meeting is to review the draft of the work of the subcommittee for clarity and completeness. A copy of the draft is enclosed.

Please let Alvine Creamer, Secretary to the State Board of Education, know whether you will or will not be able to attend. Alvine can be reached at 287-5813 or e-mail: alvine.creamer@state.me.us

If you have any questions or comments on the enclosed draft, please feel free to call me. I can be reached at 774-6920 (home); 371-2263 (summer); or 774-6020 (fax).

**DRAFT - Work of Operations Subcommittee
Regionalization Committee
August 28 , 1996**

The Subcommittee reviewed the areas delegated to it for completeness and developed a preliminary list of issues and opportunities for each area. The set of guiding principles which had previously been developed were reviewed and edited. It was agreed that the guiding principles would be the criteria by which the issues and opportunities would be developed. The results are as follows:

Guiding Principles

- Supports enhanced learning opportunities.
- Improved utilization of limited resources.
- Respectful of local cultures.
- To collaborate and cooperate.
- No effort to target particular jobs.
- Each job to be filled will be evaluated for real need

The areas where there were opportunities for improved educational learning opportunities and improved use of limited resources were developed as follows:

Business Services -Possible Consolidation and/or Outsourcing

1. Payroll.
2. Purchasing, accounts payable, and accounts receivable
3. Financial management - cash, borrowing, scholarships.
4. Benefits management.
5. Regional Management Information Systems (MIS)
6. Grant applications management.

Consolidation, Construction, Capital Improvement, Maintenance

1. Regional 10 year facilities plan. (concerns were expressed over the lack of flexibility and the questionable cost/benefit relationship of regulations).
2. Establish long range educational goals for the region.
3. Expertise in establishing vision and needs.
4. Establish better equity within regions.
5. Consistent maintenance programs.
6. Regional training programs
7. Flexibility for specialized facilities.
8. Improved response to regulations.
9. Maximize prudent use of outsourcing.
10. Improved and coordinated response to community facility needs.
11. Coordinated and consolidated school/municipal services such as plowing, sanding, road repair, etc.

Food Service

1. Purchasing/outsourcing opportunities.
2. Menu planning
3. Nutrition director.
4. Managing paperwork and reporting.
5. Management of food preparation.

Health and Social Service

1. Special education.
2. Elementary and secondary guidance.
3. Child development services.

Technology

1. Purchasing.
2. Maintenance and upgrading
3. Coordination of hardware and software.
4. Systems management.
5. Technology plan (3-5 years)
6. Regional training.
7. In school links.

Transportation

1. Purchase, maintenance and utilization of equipment.
2. Driver and discipline training.
3. Standardize bus types and parts.
4. Equipment pools.
5. Insurance.
6. Drug testing.
7. Coordinate special transportation runs.
8. Bulk fuel purchase.
9. Potential outsourcing of purchasing or services listed above.

The committee also was given an update on the work that is being done by the Commissioners of Education, Human Services, Mental Health, Corrections and Public Safety to establish a better coordinated system of delivery of services to children. Their work has been funded by the Danforth Foundation. Their goal is to link health and social service programs for children more closely to schools.

State Board of Education Regionalization Committee

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TO: STATE BOARD OF EDUCATION REGIONALIZATION COMMITTEE

FROM: HUMAN RESOURCES SUB-COMMITTEE

SUBJECT: DRAFT REPORT TO THE REGIONALIZATION COMMITTEE

The Human Resources Sub-committee was established in June 1996 and charged with further defining and expanding on the broad category of Human Resources as it relates to the framework recommended in the Regionalization Committee's Progress Report dated December 1, 1995.

IDENTIFY STAKEHOLDERS AND ESTABLISH COMMITTEE

The Sub-committee was established by first determining the stakeholders and then attempting to achieve representation from all areas. The stakeholders identified were:

- School Boards
- Superintendents
- Teachers / Employees
- Students
- Service Providers

The Sub-committee selected is attached

ESTABLISH GUIDING PRINCIPLES

The Sub-committee reviewed the Regionalization concepts previously developed and establishing some guiding principles for their work.

- Supporting Enhanced Learning Opportunities
- Improving Utilization of Limited Resources
- Respectful of Local Culture
- Collaboration and Cooperation
- No Effort to Target Particular Jobs

IDENTIFY INSTRUCTIONAL AND NON-INSTRUCTIONAL NEEDS

The first step in developing a comprehensive approach to Human Resources was to identify instructional and non-instructional needs that support enhanced learning opportunities. The needs were coordinated with those being developed by the Operations Sub-committee and provided the foundation for building a Human Resources Model.

HUMAN RESOURCES FUNCTIONAL MODEL

The Sub-committee took the identified needs, both instructional and non-instructional, assembled them into functional units and designed a Human Resource Model. The initial attempts at designing a regional human resource model looked similar to a business model organization chart. When the Sub-committee integrated this model with concepts being developed by the Governance Sub-committee and moved them into an education environment a Regional Resource Allocation Model became more appropriate. To illustrate this evolution copies of both the initial attempts and the final work are included. The Regionalization Committee may want to consider whether that progression is appropriate for the final report. The Sub-committee also expressed support for presenting the chart “upside down” since that would be more consistent with how it was developed; needs first and then human resources support for those needs. The incorporation of both approaches should be a consideration as the Regionalization Committee develops its final report. When combined with the Governance Model, the Resource Allocation Model clearly presents our vision for regional education.

MAXIMIZE OPPORTUNITIES IN FUNCTIONAL UNITS

The Sub-committee sought to clearly identify issues and opportunities presented in this functional approach to Human Resources; i.e. union contracts, benefits / insurance, legal services etc. and to identify obstacles that may be encountered by the concept. For that study four Model Regions were used to research the ideas:

- Washington County Consortium
- Casco Bay Alliance
- Kennebec Alliance
- Aroostook County Cooperatives

The Sub-committee summarized current bargaining agents for the various bargaining units, salaries, and insurance/ benefits for each of the models to provide a first look at the possibility of achieving regional contracts. The broad conclusion of the Sub-committee was that regional union contracts covering teachers might be a possibility within those models studied. The educational support contracts would be more difficult because they are not all represented by the same bargaining agent whereas the teachers are all covered by the same bargaining agent.

The Regionalization Committee may want to consider reviewing the opportunities presented by regional union contracts listed in the December 1995 Progress Report, editing them and listing them again in the new report for emphasis. The opportunities listed were:

- Sharing of staff between schools
- Removing the burden of contract negotiations from local schools
- Freeing teachers to teach
- Creating a more harmonious workforce
- Providing for management flexibility
- Enhancing administrative focus on education
- Providing enhanced benefits through a larger workforce unit

The obstacles identified by the Sub-committee, and specific to human resources, were for the most part the stakeholders themselves along with multiple bargaining agents within a region for the same employee group, providers of bargaining services, and providers of legal services. Resistance to outsourcing was also identified as an obstacle in all the functional units. An obstacle of broad concern, at this stage of the regional concept development, would be the financial implications of the evolution to regional union contracts and the development of the entity that would exercise financial authority.

REGIONAL RESOURCE ALLOCATION MODEL

REGIONAL SUPPORT UNIT

LOCAL INSTRUCTIONAL UNIT

SUPERINTENDENT
INSTRUCTION CURRICULUM
& ASSESSMENT

LEADERSHIP COUNCIL

SUPERINTENDENT
REGIONAL SUPPORT

LOCAL SCHOOL UNIT

PRINCIPAL

SPECIAL SERVICES

COORDINATE
DIRECT &
SUPERVISE ALL
ASPECTS OF:

IN SCHOOL
TEACHING &
LEARNING

LEARNING
RESULTS

CURRICULUM
ASSESSMENT

HIRING OF
INSTRUCTIONAL
STAFF

COMMUNITY
USE OF
FACILITIES

EXTRA-CO
CURRICULAR
ACTIVITIES

COORDINATE
DIRECT &
SUPERVISE ALL
ASPECTS OF:

SPECIAL
EDUCATION

GIFTED &
TALENTED

HEALTH/
HUMAN
SERVICES

STATE
AGENCY
COORDINATION

COUNSELING
SERVICES

COMMUNITIES
FOR
CHILDREN

HUMAN RESOURCES

**STAFF
DEVELOPMENT**

PERSONNEL

COORDINATE
DIRECT &
SUPERVISE ALL
ASPECTS OF:

STAFF
DEVELOPMENT

LEADERSHIP
TRAINING

TECHNOLOGY
TRAINING

SCHOOL
BOARD
TRAINING

SCHOOL
COUNCIL
TRAINING

COORDINATE
DIRECT &
SUPERVISE ALL
ASPECTS OF:

UNION
CONTRACTS

EMPLOYEE
RELATIONS

RECRUITMENT
& SELECTION

PROMOTION
COMPENSATION

BENEFITS/
INSURANCE

LEGAL
SERVICES

OPERATIONS & SUPPORT

**STUDENT
SUPPORT
SERVICES**

**BUSINESS
SERVICES**

COORDINATE
DIRECT &
SUPERVISE ALL
ASPECTS OF:

FOOD
SERVICES

NUTRITION
COMPLIANCE

TRANSPORTATION

BUS
PURCHASING/
LEASING

BUS
MAINTENANCE

TECHNOLOGY
MAINTENANCE
& UPGRADING

COORDINATE
DIRECT &
SUPERVISE ALL
ASPECTS OF:

PAYROLL

PURCHASING

FINANCE/
CASH
MANAGEMENT

FEDERAL/STATE
REPORTS

ACCOUNTS
PAYABLE/
RECEIVABLE

SCHOOL FACILITIES

**FACILITIES
MAINTENANCE**

**FACILITIES
PLANNING**

COORDINATE
DIRECT &
SUPERVISE ALL
ASPECTS OF:

FACILITY
MAINTENANCE

AIR QUALITY

FACILITY
CONDITION
REPORTS

MAINTENANCE
PLANS

SAFETY
COMPLIANCE

COORDINATE
DIRECT &
SUPERVISE ALL
ASPECTS OF:

LONG RANGE
REGIONAL
FACILITY PLANS

CAPITAL
IMPROVEMENT
PLANS

CONSTRUCTION
PROCESS

CONSOLIDATION
OF
FACILITIES

FACILITY ADA
& REGULATION
COMPLIANCE



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To: David Elliott, OPLA
Research Institute Steering Committee

From: Walter McIntire
David Silvernail *MS*

Subject: School Reorganization Work Plan

Date: September 3, 1996

Enclosed is the proposed work plan for the school reorganization/consolidation study. We are proposing to conduct a survey of superintendents to determine what formal and informal agreements currently exist (beyond the large ones like ECO 2000, Casco Bay Education Alliance, etc.) for resource sharing and cost savings between school districts. At the same time, we will be building the database necessary for testing different reorganization/consolidation models. Beginning in January 1997, we propose to conduct a pilot of the database, to reconvene the steering committee for purposes of identifying models to be explored, and finally, to conduct the data analyses of the models.

If you have any question, please give us a call (David: 780-5297; Walt: 581-2493.).

Post-It® Fax Note	7671	Date	9/3	# of pages	2
To	D. Elliott, OPLA	From	D. Silvernail		
Co./Dept.		Co.	MEPRI		
Phone #		Phone #	780-5477		
Fax #	287-1275	Fax #	780-5315		

MAINE EDUCATION POLICY RESEARCH INSTITUTE**WORK PLAN****1996-1997****School Reorganization/Consolidation**

<u>Task</u>	<u>Timeline</u>
1. Survey of superintendents to ascertain current cost-saving initiatives and cooperative agreements.	September-December
2. Design, locate, and create database for testing different reorganization and consolidation models.	September-December
3. Field test the database using illustrative reorganization and consolidation model.	January
4. Reconvene Steering Committee for purposes of identifying desired data analyses and reorganization and consolidation models to be researched using the database.	January
5. Conduct data analyses and modeling of various types of reorganization and consolidation proposals.	January-June

Panel proposes education regions

BY LIZ CHAPMAN
Sun-Journal Staff Writer

AUGUSTA — A state advisory panel has developed a new vision for Maine schools that officials hope will shift millions of dollars from administration to students.

The preliminary plan outlined by the State Board of Education's Regionalization Committee would group existing school departments, unions and districts into regions.

The regions would hire one superintendent to oversee the cluster of districts and one central director for each of the following departments: special education, transportation, business and food services. The money saved by regionalizing administration functions — and certain other duties — would be used to improve classroom education, the officials said.

Committee members acknowl-

“ I think we are building this concept not on big districts but on how to improve services to kids. ”

*-James Rier Jr.,
committee chairman*

edge the plan will be politically charged and controversial but argue something bold needs to be done as schools face continued

► See Education page 7A

► Education continued from page 1A

funding constraints in the future.

"One of the major considerations from this point on is to get considerable input from the public and continue building this (plan) from the local perspective," James Rier Jr., a Machias businessman and chairman of the committee, said Friday.

"I think we are building this concept not on big districts but on how to improve services to kids" at a time when property tax payers are growing increasingly riled by rising rates, and state funding increases are questionable.

Rier and others say the plan is doomed unless Mainers can be convinced they will retain control over their local schools.

He said similar plans in other states "virtually all failed because they were not sensitive to the need for that local connection in the schools," Rier said.

The proposal does not advocate closing any schools, Rier said. Those decisions would be left to local communities, he said.

The committee has broken into three subcommittees to study how the regions would be governed, human resources issues and operational details.

Under the model developed by the panel, a region would have three main parts:

- A "regional governance" unit to take care of staff development; business services such as payroll and financing; special education; transportation; food services; union contracts; federal and state reports; technology; adult education; and gifted and talented programs.

- A "school governance" unit led by the school principal and school-based site councils that would oversee instructional programs; in-school special education and gifted and talented programs; personnel hiring; curriculum; extracurricular activities and sports; and community use of school facilities.

The school councils would include teachers, parents and other interested people and would deal only with their own school.

- A "sub-regional governance" unit that would focus only on school construction and long-range planning; transportation; maintenance of buildings and capital improvements; and health services.

The subcommittees are not far enough along in their studies to have developed recommendations about which schools might consider

The subgroups will be reaching out to the public in formulating their ideas, Rier said.

Although many school districts already have cooperative agreements with other school systems for staff development, purchases and other efforts, the approach envisioned by the regionalization committee would be far broader in scope and impact, Rier said.

Georgia Carroll, School Union 30 superintendent in Durham and Lisbon and a committee member, supports exploring the model developed by the committee. But she said a major question still unanswered is whether the plan would really save districts significant money.

"I think the big crux of it will be to take a look to see if we will actually be saving money," she said. "... It's valuable to look at the possibilities because if we are, as it has been for so many years, (operating with) what appears to be finite and fewer dollars, we have to work as hard as we can to make the most efficient use of our resources."

Another committee member, Terry McCabe, president of the Maine School Board Association, thinks the panel's working is really only beginning.

She said how the regions might be governed should be everyone's secondary concern.

"Every debate has to focus around the student as the focal point," she said, "and then we can start talking about what this means to the principal's job, the superintendent's job, the school board, the community."

McCabe predicted the idea of school regions will be "a truly volatile political issue because of the concern of people that they're going to lose influence in their school."

But Rier, the chairman of the group, hopes the public and Maine's educational community will give the idea a chance. He said most people agree that on the surface there appear to be ways to save money by regionalizing many functions of school systems.

That money can be shifted to other parts of the budget to improve services to children.

"I think (the plan) needs to come from and be built from the community perception of what needs to happen," he said.

Report calls for joint efforts by schools

State panel says pooling resources can mean greater efficiency for less money

By Susan Young
Of the NEWS Staff

Many of the functions school units now do independently could be done better cooperatively, according to a report provided to legislators this week.

Compiled by the Consolidation Committee of the state Board of Education, the report suggests that cooperation among school units can result in increased efficiency and cost savings.

Maine's education network comprises nearly 200 separate school units. For the most part, each unit operates as an independent entity, negotiating its own teacher contracts, maintaining its own payroll services and providing transportation for students within

its boundaries. The committee suggested in its progress report to the Legislature's Education Committee that such things can be done more effectively on a regional basis.

Jim Rier, vice chairman of the Consolidation Committee, said Friday that a thorough review of the current delivery of education services was particularly critical given the state's continuing budgetary constraints.

"This is meant to serve as a new way of thinking," he said. "This is not just creating big school districts."

Rier, who owns Rier Motors in Machias and served 13 years on the local school board, served on the committee along with eight other business and community leaders. See *Cooperation*, A2, Col. 1

Pooling educational resources can save time and money, says state committee

Cooperation, from A1

community leaders. The board was charged by the Legislature last spring to review the organization of school administrative units statewide to identify current cooperative agreements between these units. Based on this review, and in consultation with the Department of Education, the board was given the authority to require school units to develop and carry out plans for cooperative agreements with one or more other school administrative districts.

The committee found that there are already 10 formalized cooperative agreements involving nearly 100 school units from Aroostook to Cumberland counties.

For example, six Aroostook County school districts have banded together to form the Educational Cooperative 2000. The six units share a special education director and pool their resources for more effective teacher training.

Rier said more of these types of arrangements are needed given the financial plight of many school districts. He said such cooperation between districts would not necessarily save taxpayers money, but would free up dollars that could be funneled back into academic programs.

In its preliminary document, which Rier termed "a work in progress," the committee suggested that a

regional governance structure replace the current system of school administrative districts, community school districts, school unions, independent municipal school districts and schools overseen by the Department of Education. Under the new system, a superintendent would be in charge of an education region and function like a chief operating officer. Principals and teachers would be responsible for academic decisions affecting their schools.

"This is not being done to downsize, to cut people," he said. "This is about how to better serve children."

Rier said this new system could promote intraregional school choice and the creation of charter schools.

To further promote cooperation, the committee suggested that a statewide common school calendar could be put in place.

Rier stressed that the points brought out in the committee's progress report are meant more as issues to be discussed rather than recommendations. He said the committee will now spend several months gathering input from school administrators, teachers and parents.

"We need a lot more input," he said. He estimated the committee would submit its final report by September or October.

Editorial/Letters

Bangor Daily News

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Todd Benoit, Assistant Editor

Richard R. Shaw, Editorial Page Assistant

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Cooperation among schools

Though education groups and ad hoc committees have over the years urged Maine school districts to consolidate, the large geographic area of the state, scattered population and importance of the local school to community life have made this impractical. A recent state report, however, has stressed the next-best thing: consolidate as many administrative functions as possible.

The state Board of Education report concludes that consolidating services such as payroll, bus contracts, special-education services and training can result in increased efficiencies and cost savings. The review examines the efforts of a dozen cooperative arrangements among school units and sees opportunity for dozens more. Though these changes might not save a huge amount of money, they will lower administrative costs, directing more funds toward students or reducing the need for property tax hikes.

Cooperation among school units is more possible now than ever before. The steady spread of computer networks and interactive television conferences could keep schools in touch with each other without school staff making long-distance commutes. Gov. Angus King recently

pointed out that each school district files, on paper, 168 separate reports a year to the state. This is a tremendous waste of time and money on both ends. A consolidated district should be able to find efficiencies in sending, via computer, batches of information from more than one district.

Former University of Maine Chancellor Robert Woodbury saw a role for the university in school-unit consolidation. He proposed that school units use the computer services available in Orono for record keeping, grades, etc., saving on the costs of updating equipment individually and providing the financially strapped university with another form of revenue. For at least some districts, that plan should have merit.

Former Gov. John McKernan tried to limit the amount of money each school unit could spend on administration. The plan seemed more like a reprimand than an opportunity for savings. Viewing cooperation as the key to increased efficiency, as the board's report does, is a more positive approach. And being aware of the unwelcome alternative — expanding the physical size of the school units — doesn't hurt, either.

Whatever Happened To the Local School?

By Paul Hill,
James W. Guthrie,
and Larry Pierce

It's time to rediscover the primacy of a forgotten element of our educational system—the local school.

When we think of what's right about American education, we think of successful individual schools—like Central Park East in New York City or the Horace Mann School down the street. The school is the place where the buses deliver the kids, where students go to class, and where the community comes together around education.

Polls routinely show that while Americans are often down on education, they tend to think that their own local school is doing reasonably well. A new Gallup Poll undertaken cooperatively with the Peabody Center for Education Policy at Vanderbilt University and scheduled to be released this month, found that parents of school-age children are significantly more satisfied than other members of the public with the performance of American schools, both public and private.

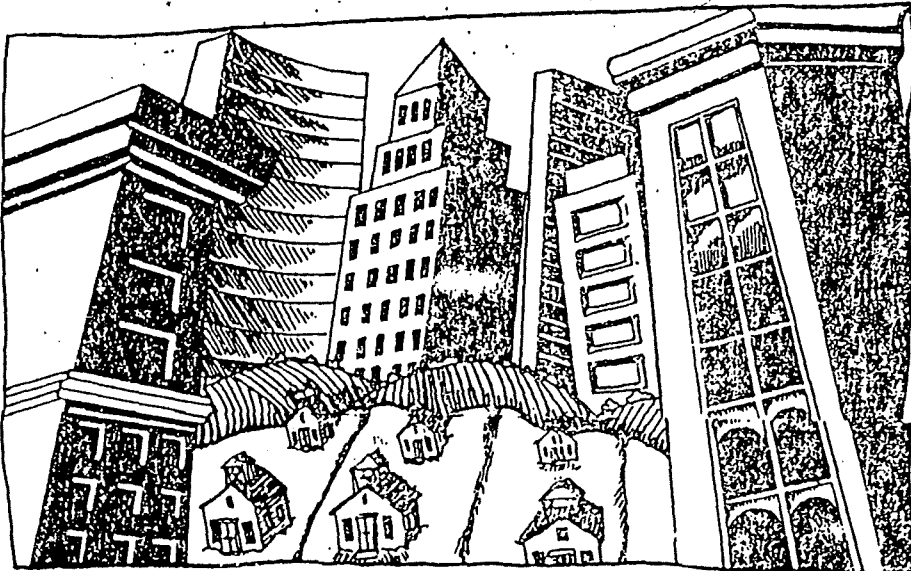
Yet when it comes to improving education, we seem to focus on everything but local schools. Political leaders write national goals, and state-level policymakers draft curriculum frameworks and new accountability systems. We do a lot of things to schools and make lots of demands on schools. But rarely do we start off discussions with the question: How can we make schools qua schools into more effective learning communities?

It was not always thus. In the 19th century, governance was lodged in school boards responsive to community wishes, and public education enjoyed a sense of trust—a personal bond of reciprocity, a sense of mutual reliance between professionals and parents and between the school and the broader community.

This sense of trust has been lost. As America's education institutions have become larger and the social and economic conditions of modern lives ever more complicated, we have increasingly relied upon bureaucratic procedures to ensure that schools will meet public expectations. We have begun to hold schools accountable for adhering to centrally issued operational rules, not for achieving parentally or socially desired outcomes.

To be sure, the localism of bygone days created problems. Teaching and learning standards in many communities were low and patronage and corruption commonplace. So in the early 20th century the reformers took over. Finance and governance systems were centralized, and 120,000 local school districts were consolidated into what is now 15,000. Leadership was ceded to educational professionals; centralized bureaucracies grew exponentially. Today, almost one-half of our public school population is enrolled in only 1 percent of our school districts. We have constructed massive organizations which far outstrip our ability to manage effectively. We also have created organizations which virtually defy effective human relationships.

Centralization was intended to address one set of



Margot Rosen

We have disenfranchised the unit most capable of delivering quality education. We have the worst of both worlds, one in which authority has been severed from responsibility.

problems, but in reality it created more. The resulting system, today's education system, is rigid and hostile to change, and promised efficiencies have rarely materialized. It often is still cheaper to buy pencils at the corner stationery shop than from school board headquarters. Teachers may now be professionals, but they are usually restricted from acting as such by a noose of rules and regulations. Local patronage may have been reduced, but it was replaced by the problem of single-interest politics.

Most important, the crucial link between schools and their immediate clients—students, parents, and the local community—has been broken. The result is a cruel paradox: We have disenfranchised the unit most capable of delivering quality education. We have the worst of both worlds, one in which authority has been severed from responsibility. The people most in a position to have an impact on children—teachers and administrators in local schools—are prevented from taking responsibility and making professional judgments, while authority rests with remote school boards and other higher authorities unfamiliar with local needs.

In such a situation accountability becomes difficult. Teachers and principals, the people on the front lines who ought to be the focus of accountability, are protected by tenure and union contracts. The only people

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Rediscovering The Local School

Continued from Page 56

who can be removed quickly—school board members and superintendents—are not the crucial players.

Improving American schools is an urgent task. A heated debate is now taking place about whether schools are better or worse than they were in the recent past. On one side are those who contend that schools are every bit as good today as some imagine they used to be. On the other side are those who argue that today's schools are failing by past standards. The overriding truth is that, almost no matter what one thinks about American schools now, they almost assuredly are not as good as they must be in order to prepare students for life in the 21st century. Social and economic conditions have been so radically transformed over the past century that schools, as currently constituted, cannot impart sufficient intellectual content; personal, social, and democratic values; and civic cohesion that the United States needs to sustain itself productively and comfortably in the next century.

So the challenge is clear. A renewed vision of schooling is needed, one that is built around a sense of the primacy of the indi-

vidual school. Public schools must be seen as trustees for the community, created to ensure that the next generation will appreciate the democratic basis of our society and be able to prosper economically. To fulfill this trust, schools must be strong organizations capable of purposive action.

A school organized to fulfill a public trust has to make definite promises about what it would provide students and how students would benefit. It must therefore be based on specific ideas about how instruction can be organized to meet the needs of a particular group of students. Such a school must be an active organization, not a passive sponge for the regulatory outpourings of remote decisionmakers. It must have appropriate control of its funds and resources, including teachers. A school of trust must have clear goals and the capacity to organize and adapt its own activities in order to meet them. It must be able to invest in its own future by hiring, training, and developing teachers to work effectively in light of student needs and school strategies.

So reform must have many parts. It must set standards and find ways of holding individual schools accountable for results. It must also define the areas in which schools have freedom of action, so that they can match instructional strategies to the needs and interests of their own students. Reform must also retain a public capability to assist struggling schools and provide alternatives for students whose schools are failing.

Organizational theory suggests that policymakers should make policy and administrators should do the managing. We must do the same for schools. Schools must possess the capacity to operate successfully, be granted a charter of opportunity to seek success, and be motivated to take advantage of the resources and initiatives available to them.

Schools have become too much



Margot Booth

a part of government. A major weakness of "systemic reform" as generally understood is that it threatens to make schools even more part of government and less responsive to parent and community aspirations. Vouchers are not the solution because they threaten to make schools responsive to parents alone, thus jeopardizing the needs of the broader society. The goal is to identify ways that schools can accept gov-

ernment money and yet retain their trust status.

By placing school at the center of the school-reform debate, we can begin to address questions that have gotten lost in recent years. For example:

- What can be done to ensure, under a school-centered operating strategy, that there is a level playing field for students from all backgrounds?

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- How can individual schools strengthen their relationship with the community and handle their own external-relations functions?

- While state school-finance systems assume some measure of local-school-district participation in revenue generation, what are such systems replaced with when schools are empowered individually? What kinds of equity guarantees are necessary? How

can collective bargaining be rethought and moved to schools?

- How can individual student, classroom, and school performance be measured school by school?

- How can we bolster the skills of principals as leaders and entrepreneurs to meet the challenges of running a school that addresses the four R's—responsiveness to the community, responsibility for performance, and results oriented and research based?

There are a host of other questions concerning teacher compensation, staff development, capital needs, external relations with the public, even purchasing. These questions will never be appropriately answered until we assert the primacy of the local school as a social imperative that can help the nation create the kind of educational system it needs to remain a fulfilling democracy and to compete in the emerging global economy. It is also an imperative in the current political climate. We may now be observing a major political realignment being brought about by the failure of leaders over a long period of time to be responsive to the viewpoints of American citizens. The same could happen in education.

Americans intuitively understand that the success or failure of education revolves around what happens inside local schools. The history of educational reform for most of the past century can be written as a movement away from that fundamental fact of life.

We must recover a vision of the effective local school—one that citizens never lost. ■

Education challenges

The governor's nominee for education commissioner is in many ways the opposite of his predecessor.

Outgoing and well-known, J. Duke Albanese made a name for himself by being both a Teacher of the Year (1975) and a Superintendent of the Year (1992) and by running a school system that has performed admirably. If confirmed, however, he will immediately encounter many of the same difficulties identified by former Education Commissioner Wayne Mowatt.

Mr. Albanese, as the longtime superintendent of the Messalonskee School District (SAD 47), certainly is aware of these problems. He will need to employ all those complimentary adjectives — “knowledgeable, unflappable, enthusiastic” — that Gov. Angus King used to describe him last week if he is to improve a department that increasingly frustrates communities around Maine.

The state, for instance, has yet to offer a persuasive plan for school consolidation. The challenge is to balance the need for cost-savings with the recognition that many towns depend on local schools as the foundation of their communities, and that many small-town residents, understandably, are not happy about the prospect of busing their children long distances to unfamiliar settings.

That issue is tied directly to the school-funding formula, of which Maine is undergoing yet another permutation. The state has performed a six-year exercise of rearranging too few dollars for too many schools, leaving just about everyone feeling short-changed. Unless new money can be found, the funding problem will grow worse under the state's experiment with learning results, a project Mr. Albanese has helped to develop.

Learning results are a broad set of benchmarks to identify what students ought to know at the end of high school and at a few points along the way. The push for the learning results exists because many people, including the governor, believe that schools throughout Maine currently do not measure up and must be held accountable. Currently, the learning results allow schools to opt out if the financial burden becomes too heavy, but this is a temporary condition. Improving performance at schools across Maine undoubtedly will require more programs and the money to fund them.

Mr. Albanese also would soon face the task of repairing the Maine Educational Assessment, which has been altered from a useful, if rigid, test to a short series of open-ended questions that are difficult to assess fairly and consistently. Schools that once counted on the MEA to know where they stood compared with the rest of the state are now left without that measure. The MEA has been a tremendous incentive to encourage school districts to improve in areas identified as weak by the test, and Maine's education scores have risen to the top nationally partly as a result of school leaders having a clear report card on their students' achievements. The new commissioner cannot let that progress be threatened by a faulty MEA.

Finally, any new commissioner will confront the department reorganization started by Commissioner Mowatt. As commissioner, Mr. Albanese should begin by reviewing the need for the teacher certification process within his department. The University of Maine System, where the vast majority of Maine teachers get their training, already enforces a level of academic rigor that meets state standards, as do most other universities. School boards are under local pressure to hire the best-trained teachers, and the old MEA and, potentially, the new learning results would tell the public about teachers' effectiveness. What is the use of the state bureaucracy making teachers jump through hoops to reconfirm what a local school system already knows?

Mr. Albanese tells a story of a woman with an advanced degree whom he wanted to hire as a teacher for SAD 47. She was willing, but the Department of Education put so many certification hurdles before her that she was forced to turn down the job. Soon after, she was hired to teach at Colby College, which had no trouble with her resume. Upon hearing this story, Gov. King replied that, according to the state, “I'm not even qualified to teach a class in government.” Sounds as if the governor and his commissioner-elect are of similar minds on this issue.

Duke Albanese looks like an excellent choice for commissioner. Certainly, it would take all of his knowledge, unflappability and enthusiasm to surmount the challenges confronting the Education Department.

Dwindling school aid taxing for Maine towns

By Susan Young
Of the NEWS Staff

Property taxes in the small Penobscot County town of Medway had been slated to increase a whopping 65 percent this month. Rather than emptying their pockets, residents slashed more than \$100,000 from both the municipal and school budgets. Taxes will still increase more than 20 percent.

Residents of East Machias will absorb a 34 percent jump in local property taxes. In central Maine, Corinth residents will see an 18 percent increase in their property tax bills.

These eye-popping increases

are not due to frivolous municipal spending or lavish school construction projects. Rather, they are mostly the result of a steady decline in state aid to education.

Corinth district faring well with scrimping skills

Towns like Medway, East Machias and Corinth have been forced to raise local taxes just to keep their schools operating.

The state's contribution to K-12 education spending has dropped from 51.5 percent in 1991 to 42.7

percent in 1996. This has left a gap of more than \$100 million a year that must be filled with local tax dollars.

"The state needs to play a bigger role in providing funding to take care of the educational needs of its students," said Tom Jarvis, superintendent of School Union 113, which includes Medway and East Millinocket — towns at opposite ends of the funding spectrum. While Medway receives 83 percent of its annual school budget from the state, East Millinocket gets only 3 percent because of the valuable paper mill located there.

Under the current formula, more than \$500 million in state aid to education is allocated to school

districts based on several factors including property valuation, student enrollment and past expenditures. This year, median household income and a cost-of-living adjustment were factored into the formula.

After the state's contribution, the remainder of school funds comes from property taxes. Because property values are lower in the northern and eastern parts of the state, these communities have a hard time raising enough tax dollars to fund their schools. Communities with large amounts of recreational property and little industry have been particularly hard-hit.

Because some communities are

more able than others to fund their schools, the dramatic reductions in school funding since 1990 certainly haven't affected everyone evenly. While school districts that have traditionally relied heavily on state assistance have cut programs and extracurricular activities, richer districts that receive only minimal state funds have fared much better.

For example, SAD 64 in the Corinth area has become accustomed to scrimping. Art and music programs have been pared, field trips are possible only if they are paid for by outside supporters, and textbooks simply have to last a few years longer. The school dis-

See Schools, A3, Col. 1

State share of K-12 public education spending

1987-88	48.7%
1988-89	48.9%
1989-90	49.0%
1990-91	51.5%
1991-92	45.5%
1992-93	46.4%
1993-94	45.2%
1994-95	43.3%
1995-96	42.7%

Source: Maine Department of Education NEWS

Dwindling subsidy taxing for Maine towns

Mill town economizing in wake of abatement

Schools, from A1
District receives 73 percent of its education funding from the state.

In East Millinocket, on the other hand, cuts in state funding simply are not an issue because the town receives only 3 percent of its education budget from the state. Instead, the northern Penobscot County school system has recently been faced with the task of trimming its budget because of a tax abatement agreement with the paper mill that pays the lion's share of the town's taxes.

The poor get poorer

Steadily increasing property taxes are nothing new in the Corinth area. Like other school districts, SAD 64 has seen its share of state funding dwindle since 1990.

Superintendent Leonard Ney estimates his district's state subsidy has decreased by 20 percent since the beginning of the decade. SAD 64 is operating with the same amount of money it received from the state in 1989.

This has left local taxpayers to make up for the loss of state dollars or see drastic cuts in the school budget. In SAD 64, residents have opted to pay more taxes. Since Ney took over as superintendent in 1974, he has not had a school budget turned down by voters.

This year, local property taxes will increase by more than 18 percent, although the overall school budget calls for only a 4.5 percent increase in spending — the majority of which is needed to cover increased personnel costs.

A look at the detailed 100-page budget prepared annually by Ney reveals a tightly run school district that has successfully maintained its basic academic standards, if not all its services, with less from the state.

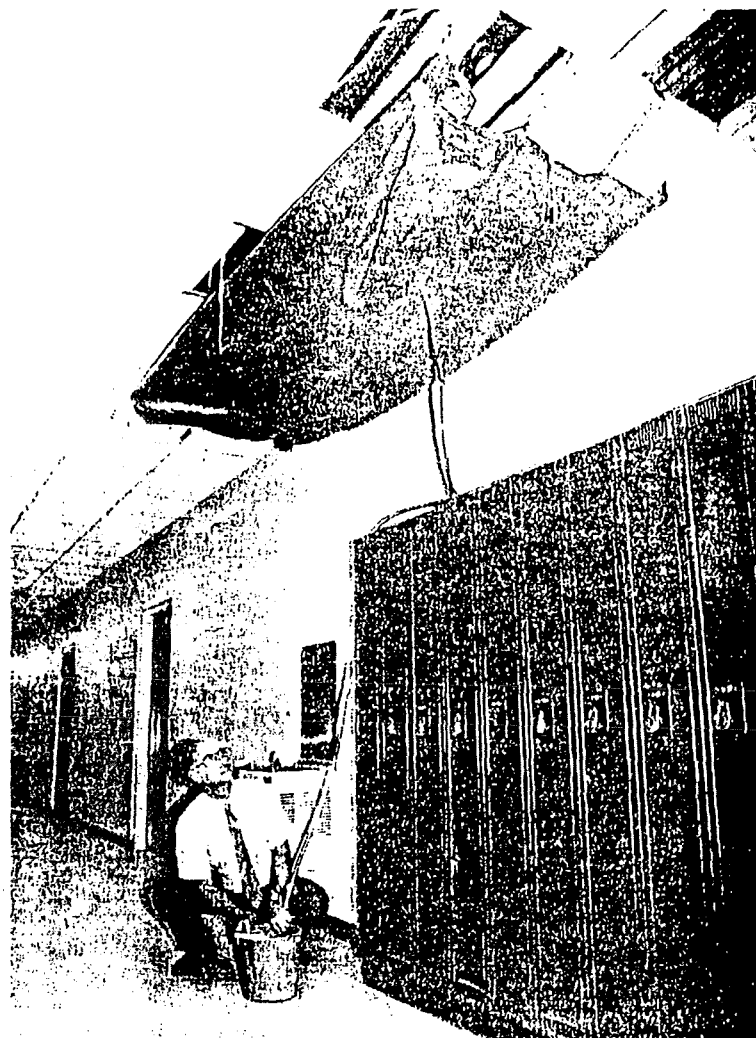
Although SAD 64's per-student spending was the lowest in the state at the high school level last year, the district's 11th-graders do better than average on the Maine Educational Assessment, the state's measure of school quality. For the past three years, juniors at Central High School have scored above or at the high end of the school's comparison score band. The score band is the range of scores expected from schools of similar socioeconomic status.

During the 1994-95 school year, Central High spent \$3,682 for each of the 425 students enrolled at the school. The state average high school per-student expenditure during that same year was \$4,739. This means Central High operated on about \$450,000 less than the average high school of similar size.

Although SAD 64 does not pay a lot per student, the district does pay its teachers well considering its financial position. The average salary for a beginning teacher with a bachelor's degree in SAD 64 is \$20,785, slightly higher than the state average of \$20,421. A veteran teacher with a bachelor's degree who has reached the top of the pay scale is paid \$34,840 in SAD 64 compared with a statewide average of \$33,580.

Ney credits the district's teachers with maintaining high-quality education in spite of budgetary constraints. "This district doesn't have a lot of money, but we're personnel-rich," he said.

SAD 64 has had to make some changes because of its lack of money. There are no guidance counselors for the district's ele-



Marly Gray, principal of Central High School in East Corinth, checks a makeshift repair — a tarp attached to a hose emptying into a bucket — for a roof leak in the high school. Due to lack of money, the school has had to postpone some repairs. (NEWS Photo by Bob DeLong)

mentary school pupils. There is no longer a librarian at the high school library. Technical courses, such as auto repair and welding, are not offered by the school district. Instead SAD 64 participates in a regional technical program with other area school districts.

The rural district takes advantage of other regional cooperatives as a way to save money. For example, it has joined SAD 23 (Carmel), SAD 38 (Etna-Dixmont), SAD 63 (Holden) and Glenburn to form the Rural Schools Partnership, which is a cooperative effort to train teachers and develop a plan for the use of technology.

Despite being a poor district, SAD 64 still has a gifted-and-talented program and offers Advanced Placement courses — supposed luxuries that many schools jettisoned when the financial going got tough.

Ney admits that he is not able to do everything he would like to, but says academics has remained the district's top priority.

He likens SAD 64's situation to that of the turtle in the fabled race between the tortoise and the hare. Although SAD 64 the tortoise — has been behind for much of the funding race, as the richer rabbits begin to slow down, the more forward tortoise has a pretty good chance of winning

the race.

"We started so far behind, we can only look forward," Ney said. "We've got to look positively and do the best we can with what we've got."

Reality check for rich schools

East Millinocket got its first taste of budget cutting two years ago when the town's major employer — and taxpayer — asked for a tax abatement. As part of its settlement with Bowater Inc., town residents agreed to cap taxes for four years. The agreement has the effect of decreasing the town's taxes by 12 percent during the four-year period, which is now halfway over.

"East Millinocket is not used to being poor," Superintendent Jarvis said last month. "But they're not poor; they voted themselves poor."

Jarvis said \$90,000 will have to be cut from the town's school budget because of the agreement with Bowater, which pays 86 percent of the town's taxes.

"It's very difficult for East Millinocket to go through this because they've never had to before," he said. "It's hard to do without."

What East Millinocket has had to do without is a school district that has been cut

across the board from the school budget. Three elementary school teaching positions have been eliminated. Spring sports are no longer included in the school budget and must be funded through gate receipts and private donations. Schenck High School's technical education program was eliminated last year when the industrial arts teacher left the school. The town's elementary and high school now have two instead of four music teachers.

So far, the cuts have not affected academic quality, said Kevin Held, principal of Schenck High School. The school's performance on the Maine Educational Assessment, one indicator of school quality, has not suffered because of budget cutbacks. Last year, Schenck's 11th-graders ranked above the school's comparison score band in three of the six subject areas on the test. Over the past three years, the school's juniors have performed at the high end of the bands on all six areas of the exam.

What the budget cuts have necessitated is a change in attitude.

"No' is not a term anybody is used to hearing around here," Held said. He said there is a perception among the townspeople that the schools are still rolling in money. He said some residents have balked at paying \$2 to watch sporting events and some parents grumble about paying \$200 for their children's driver's education which used to be free.

Despite the recent cuts, East Millinocket's schools are spending a lot more on their poorer cousins. The town's average of \$6,411 for each of the 306 students that attended its schools in 1994-95. Only four other school districts that operate their own high schools — Limestone, Wiscasset, North Haven and Baileyville — paid more.

Superintendent Jarvis said a lot of the money has gone into capital improvement projects. Both Schenck and the Opal Myrick Elementary School were recently reroofed, and windows are being replaced at the high school.

Jarvis said the town's student-to-teacher ratio, which is roughly 17-to-1, is below the state average. Although East Millinocket has more teachers per student than other towns, it does not pay them particularly well. A beginning teacher with a bachelor's degree is paid \$18,700 in East Millinocket, well below the state average of \$20,421. A veteran teacher with a bachelor's degree who has reached the top of the pay scale is paid \$32,725 in East Millinocket, while the state average is \$33,580.

While their salaries may be low, teachers in East Millinocket receive more support services than many of their counterparts. During the 1994-95 school year, the town spent \$126,600 on student and staff support like secretarial help. SAD 64 spent only \$17,350 on support services during the same period.

Although Schenck High School does not have any Advanced Placement courses, it does have an extensive gifted-and-talented program that includes courses in abnormal psychology, geology and astronomy.

The high school, which was once the envy of the state because of its modern computer equipment, is now behind technologically because it cannot afford to replace its aged computers. The town's two school buildings, which used to be scrupulously maintained, are now beginning to show their age as repairs and routine maintenance are being put off or held.

"I've spent 22 years in this district building it up. Now, to take it apart brick by brick, that's hard," Jarvis said.