

(Spencer draft of 2-26-07 amended by MMA on 3-5-07)

(NOTE: All of Section A-1 is proposed new law, but only overstruck and underlined where amending the Spencer draft. No changes have been made to the Spencer draft with respect to sections A-2 through A-12)

**An Act to ~~Encourage~~ Implement Collaboration and Consolidation Among School Units**

**Part A**

**Sec. A-1. 20-A MRSA, Part 2, Chapter 114** is enacted to read:

**Chapter 114**

**Planning Alliances**

**§2601. Purpose and Goals.** It is declared the policy of the State to foster and encourage change in the manner that educational services are delivered in this State in order to decrease administrative and other non-instructional costs while maintaining and fostering excellence in the classroom. This chapter requires that all school administrative units in the State participate in planning alliances in order to achieve the following legislative goals:

1. Cost reduction equal to at least 10% of administrative costs for education by FY 2010 measured as a percentage of state-wide personal income of the state and local cost of K-12 administrative and non-instructional costs by FY 2010 as compared to the FY 2008 costs adjusted to FY 2010 by inflation. For the purposes of this chapter, the costs of K-12 administrative and non-instructional costs are those costs associated with system administration, school administration, transportation and busses, and school facilities maintenance. Cost savings achieved as a result of the collaboratives or consolidations created pursuant to this chapter in categories of school expenditure other than administrative and non-instructional costs must also be counted toward these cost reduction goals.
2. School administrative and non-instructional services will be delivered according to the following profile:
  - a. School administrative functions, including without limitation system administration, special education management, curriculum development and state and federal assessment and regulatory compliance will be shared with multiple school administrative units;
  - b. School administrative back-office and non-instructional functions including without limitation human resources, information technology, financial services, facilities, food

services, safety and security and health services will be shared with multiple school administrative units and, as applicable, with municipal units of government;

- c. The student transportation systems throughout the planning alliance region will be well planned and coordinated among school administrative units and avoid redundancy in routing;
  - d. School calendars among school administrative units will be coordinated insofar as practicable;
  - e. The purchase of supplies and materials common to school administrative units and supplies and materials common to both school administrative units and municipal units of government will be conducted in a manner designed to maximize the purchasing power of the aggregated governmental units; and
  - f. Special education functions provided as contracted services on the school administrative unit level will be provided through educational service collaboratives wherever practicable to reduce those service delivery costs on a per-student basis.
- 3. The state-wide use of educational service collaboratives to reduce the costs of delivering administrative, non-instructional and specialized educational services such as purchasing, finance and payroll, transportation, maintenance of buildings and grounds, technology support, human resources, and food service and special education; and
  - 4. Consolidation of school administrative units and school unions in Maine so that each school central office has responsibility for at least \_\_\_ resident pupils, with appropriate exceptions for coastal islands, Indian education, and geographic isolation.

**§2602.** Planning alliances established

- 1. Within 90 days after the effective date of this Act, the Commissioner of Education shall establish planning alliances comprising all of the school administrative units in the State.
- 2. The boundaries of the planning alliances shall be established as follows:
  - a. **Provisional Boundaries.** On the effective date of this Chapter the provisional boundaries of the planning alliances shall be established on the basis of the boundaries of the 26 existing career and technical education regions and centers.

- b. Within 45 days after the effective date of this Act any existing educational service or joint planning collaborative, cooperative, alliance, or other similar group of school administrative units may apply to the commissioner for designation as a planning alliance. The commissioner shall approve such applications upon a finding that the composition of the planning alliance will be consistent with the goals and purposes of this Act and that the school administrative units seeking such designation have a history of working together on a cooperative basis toward achievement of educational goals, providing educational services, or seeking greater efficiencies in the delivery of educational services.
- c. If approval of an application for designation as a planning alliance under paragraph b reduces the number of resident pupils within a planning alliance as provisionally established so that commissioner funds that it is no longer consistent with the goals and purposes of this Act, the commissioner, in consultation with affected school boards and superintendents, may reassign affected school administrative units to other planning alliances.
- d. Within 45 days after the effective date of this Act, any existing school administrative unit or school union may apply to the commissioner for reassignment from the planning alliance to which it is provisionally assigned to another planning alliance. The commissioner after consultation with affected school boards and superintendents, shall approve such application upon a finding that the reassignment will be consistent with the purposes of this Act. If the commissioner finds that the reassignment will not be consistent with the goals and purposes of this Act, the commissioner, in consultation with affected school boards and superintendents, may either reassign the remaining school administrative units and school unions to other planning alliances, or deny the application.
- e. Within 90 days after the effective date of this Act, the commissioner shall determine the final boundaries of the planning alliances.
- g. Planning alliances and their participating school administrative units and school unions are encouraged to engage in joint planning to establish educational service collaboratives and school consolidation plans which may include more than one planning alliance or which may cross planning alliance boundaries. At any time during the planning process, a school administrative unit or school union which proposes to participate in an educational service collaborative or

school consolidation plan with one or more school units or school unions in another planning alliance, may petition the commissioner for permission to transfer from its designated planning alliance to another planning alliance. The commissioner may grant such approvals after consulting with affected planning alliances upon a finding that the proposed transfer will further the purposes and goals of this chapter. If such approval is granted, the education and municipal representatives of the school units or school unions petitioning for transfer shall become members of the planning alliance to which the school units or school unions have been transferred.

3. Each planning alliance shall be comprised of the following members:
  - a. There shall be one education representative from each school union and each school administrative unit that is not a member of a school union in the planning alliance. Each education representative shall be selected by their respective school board or school union board.
  - b. There shall be one municipal representative from the municipalities within each school union and one municipal representative from each school administrative unit that is not a member of a school union in the planning alliance. Each municipal representative shall be selected by a caucus of the municipal officers of the municipalities within each respective school administrative unit or school union.
  - c. For each planning alliance, 4 6 members of the general public shall be appointed as follows:
    - i. One member of the general public shall be appointed by the President of the Senate.
    - ii. One member of the general public shall be appointed by the minority leader of the Senate.
    - iii. One member of the general public shall be appointed by the Speaker of the House.
    - iv. One member of the general public shall be appointed by the minority leader of the House.
    - v. Two members of the general public shall be appointed by the Governor.
    - vi. Notwithstanding the provisions of this subsection 3:
      - a. The number of public members shall not exceed the number of school or municipal members; and
      - b. the composition of the governing body of an existing educational planning group approved as a planning

alliance by the commissioner under subsection 2 shall remain unchanged.

- vii. The appointing authority under this sub-section shall fill any vacancy which occurs.
4. Upon the determination of the members of a planning alliance, the commissioner shall call the initial meeting of the planning alliance representatives by notifying each representative of the date, time and place of that meeting. The notice of the meeting shall be mailed at least 10 days prior to the meeting date.
5. At the initial meeting of the planning alliance representatives, one-half of the eligible representatives shall constitute a quorum. If a quorum is not present, the eligible representatives present shall notify the commissioner, who shall issue a new notification. If there is a quorum, the representatives shall adopt rules of procedure, elect officers and conduct other lawful business as they deem appropriate.

**§2603. Planning alliance responsibilities.**

The planning alliances shall be responsible for developing plans for the reorganization of the delivery of administrative and non-instructional services, organizing and implementing educational service collaboratives and ~~plans for consolidation~~ recommending the consolidation of Maine school administrative units and school unions in accordance with this section.

1. **Reorganizing the Delivery of Administrative and Non-instructional Services.**
  - A. Planning responsibilities. Each planning alliance shall for the geographic region it represents:
    - i. Identify for each school administrative unit the relationship between that school system's actual budget for system administration compared to the allocation for system administration for that school administrative unit by the essential programs and services school funding model;
    - ii. Calculate the total expenditures for educational administrative and non-instructional services and identify the degree to which that expenditure would have to be reduced in order to comply with the goal established in this chapter;
    - iii. Identify all the types of public school administrative units including school administrative districts, community school

districts, municipal school units and any school unions that currently provide for shared superintendent services;

- iv. Identify the degree to which administrative and non-instructional services are currently being shared between and among school administrative units within the planning alliance area;
- v. Identify the region's current aggregate educational administrative personnel profile, measured in full-time equivalents, including, but not limited to, the following positions: superintendent, principal, special education director, transportation director, technology director, business agent or financial officer, human resources director and all reasonably equivalent positions;
- vi. Identify all municipal administrative services by type and position that are being similarly provided on the municipal level and might reasonably be subject to shared services arrangements, including positions in the fields of technology, financial administration and human resources management and all reasonably equivalent positions;
- vii. Identify all major types of materials and supplies purchased by the school administrative units along with all similar materials and supplies purchased by the municipalities in the region;
- viii. Identify schedules that pertain to the school administrative units, including without limitation school calendars, school board meetings, budget development and budget approval meetings;
- ix. Map out the school transportation system that is used to transport students to and from school and other activities; and
- x. Identify other baseline information regarding the provision of educational administrative services within the region that the planning alliance finds to be pertinent to responding to the legislative charge.

**B. Development of recommendations.** Each planning alliance shall prepare a plan for the redesign of the provision of educational administrative and non-instructional services within the planning alliance area that is appropriate to the needs of the region and is designed to meet the goals of section 2601. The plan must, at a minimum;

- i. Identify any recommended redesign of the types and configurations of school administrative units within the region;
- ii. Recommend the number of educational administrative and non-instructional full-time equivalent positions required within the planning alliance area for the following positions: superintendent, principal, special education director, transportation director, technology officer, business agent or financial officer, human resources director and all reasonably equivalent positions.
- iii. Recommend adjustments to the region's current profile of administrative and non-instructional personnel;
- iv. Recommend the organization or reorganization of any joint purchasing arrangements between and among school administrative units within the planning alliance area and between and among school administrative units and municipalities within the planning alliance area;
- v. Recommend the coordination of schedules, including without limitation, school calendars, school board meetings, and school budget development and budget adoption meetings;
- vi. Recommend, as applicable, the development of coordinated school transportation systems; and
- vii. Recommend the administrative and non-instructional services that should be made available through an educational services collaborative for the benefit of school administrative units and municipal units of government in the region.

2. **Educational Service Collaboratives.** On or before March 1, 2008, each planning alliance shall submit to the commissioner ~~a preliminary~~ the reorganization plan developed pursuant to subsection 1(B) along with a plan for the formation of one or more educational service collaboratives and the utilization of those collaboratives in the planning alliance region in such a way to achieve the financial goals of this chapter. The educational service collaboratives recommended by the planning alliances shall be designed to ~~foster and encourage~~ implement the joint or shared provision of school administrative and non-instructional services as recommended by the planning alliance. The preliminary plans for educational service collaboratives shall be reviewed by the commissioner and approved by March 30, 2008 upon a finding that the proposed educational service collaboratives are consistent with the purposes and goals of this chapter. Alternatively, if the commissioner

determines that a preliminary plan for an educational service collaborative is not consistent with the goals and purposes of this Chapter, the commissioner shall return the preliminary plan to the planning alliance with specific suggestions for modification. In that event, the planning alliance shall revise the preliminary plan to address the commissioner's concerns and shall submit a revised plan to the commissioner not later than May 1, 2008. The commissioner shall approve or disapprove the revised plan by May 30, 2008. If a plan for an educational service collaborative is approved by the commissioner, it either shall be approved or disapproved by each school board and school union board with a representative on the planning alliance by June 30, 2008. The commissioner shall issue a certificate of organization for the educational service collaborative comprised of each school administrative unit or school union whose school board or school union board has approved the educational service collaborative plan. If one or more plans are not approved by the commissioner, or if one or more plans approved by the commissioner are not approved by one or more of the school boards or school union boards, the commissioner shall submit a report to the committee of the Legislature having jurisdiction over education matters that the planning alliance or the non-approving school administrative units or school unions have not met the collaborative planning goals of this chapter. The commissioner's report shall be submitted to the committee of the Legislature having jurisdiction over education matters no later than January 1, 2009.

### **3. Plans for School Unit and School Union Consolidation**

On or before June 30, 2008, each planning alliance shall submit to the commissioner a plan for consolidation of school administrative units and school unions within the region with a goal of ensuring that each school union and each school administrative unit not a member of a school union serves at least \_\_\_\_ resident pupils. Exceptions from this goal may be made for coastal island communities, Indian education, and geographic isolation. The plans for consolidation shall address at a minimum the following matters:

- A. The school administrative units and school unions to be included in the proposed consolidated school administrative unit or school union;
- B. The composition of the governing body;
- C. The method of voting of the governing body;
- D. The method of sharing costs;
- E. The disposition of real and personal school property;

- F. The disposition of existing school indebtedness and lease purchase obligations;
- G. The assignment of school personnel contracts, school collective bargaining agreements, and other school contractual obligations;
- H. The disposition of existing school funds, including undesignated fund balances, trust funds, reserve funds, and other funds appropriated for school purposes; and
- I. Such other matters as the planning alliance may determine to be necessary.

6. **Review and Approval of Consolidation Plans by Commissioner.** Proposed consolidation plans shall be reviewed by the commissioner and approved or disapproved by June 30, 2008. A plan for consolidation shall be approved upon a finding that the plan is consistent with the goals and purposes of this chapter and that the plan has adequately addressed the matters described in subparagraphs A through I. If the commissioner determines that a plan for consolidation is not consistent with the purposes and goals of this chapter, or that it has not adequately addressed the matters set forth in subparagraphs A through I, the commissioner shall return the plan to the planning alliance with specific suggestions for modification of the plan. In that event, the planning alliance shall revise the proposed plan for consolidation to address the commissioner's concerns and submit a revised plan for consolidation not later than August 30, 2008. The commissioner shall approve or disapprove the revised plan for consolidation by October 15, 2008. If a plan or revised plan for consolidation has been approved by the commissioner by October 15, 2008, the municipal officers of each municipality in the proposed consolidated school administrative unit or school union shall place a warrant article substantially as follows on the ballot of a town meeting referendum conducted prior to April 15, 2009:

Article \_\_: Shall the plan for consolidation prepared by the (insert name) Planning Alliance and approved by the Commissioner of Education to consolidate (insert names of affected school administrative units and school unions) with an effective date of July 1, 2009 be approved?

If a plan for consolidation is approved by all of the affected municipalities, the commissioner shall issue a certificate of organization to the consolidated school administrative unit or school union. If the plan for consolidation is approved by less than all of the affected municipalities, the commissioner may issue a certificate of organization for a consolidated school administrative unit or school union comprised of those municipalities which voted in favor of the plan, upon a finding by the commissioner that the approval of that smaller consolidated

school administrative unit or school union is consistent with the purposes and goals of this chapter.

If a planning alliance does not submit proposed consolidation plans as required by this section, or if consolidation plans are disapproved by the commissioner, or if one or more municipalities fail to approve a plan of consolidation approved by the commissioner, the commissioner shall submit a report to the committee of the Legislature having jurisdiction over education matters that the planning alliance or the non-approving municipalities have not met the school consolidation goals of this chapter.

**§2604. Resources and Department of Education responsibilities.**

**A. Resources.** Notwithstanding any other law, the highest priority of distribution from the Fund for the Efficient Delivery of Educational Services as established in section 15754 for fiscal year 2007-2008 and fiscal year 2008-2009 shall be providing staff and other related support to the planning alliances as required by this chapter.

**B. Department of Education responsibilities.**

**1. Minor technical rules.** The Department of Education shall adopt rules to assist in the implementation of this chapter. At a minimum, those rules shall:

- a. Identify by position and support position all educational administrative services that should be reasonably included in the analysis conducted by each planning alliance.
- b. Establish the minimum qualifications, job description, and salary and benefit range for each planning alliance's full-time staff assistant;
- c. Provide for the administration of the Fund for the Efficient Delivery of Educational Services, modeled after the system of administration for the Fund for the Efficient Delivery of Local and Regional Services provided at Title 30-A, chapter 231, and including the automatic payment of salary and benefits for one full-time staff assistant for each planning alliance in accordance with section 2602.
- d. Rules established under this subsection are minor technical rules as defined in Title 5, chapter 375, subchapter II-A.

**2. Other department responsibilities.** In addition to any other department responsibilities required by this chapter or imposed on the

department by rule, the department shall assist in the implementation of this chapter by:

- a. Assisting all planning alliances in the collection and presentation of data pertinent to the charge established by this chapter;
- b. Assisting in the organization of municipal caucuses as provided in section 2602(3)(b);
- c. Providing or contracting for facilitation services to be provided to the planning alliance to ensure their ability to fulfill the charges required by this chapter; and
- d. Submitting reports to the Legislature no later than January 1, 2008 and January 1, 2009, and a final report no later than January 1, 2010 that describe the compliance of the planning alliances and participating school administrative units and school unions with the requirements of this chapter.

**§2605. Implementation schedule.** The various charges established by this chapter shall be accomplished according to the following schedule:

1. The final boundaries of the planning alliances shall be established within 90 days after the effective date of this act.
2. The appointments and the municipal officers caucuses required by section 2602, subsection 3, shall be completed no later than 45 days after the planning alliance final boundaries have been established under subsection 1.
3. The full-time staff assistant for each planning alliance shall be hired by the planning alliance within 45 days after the appointments and caucuses under subsection 2.
4. The planning alliances shall complete the development of their plans for educational service collaboratives as required by section 2603, subsection 1 no later than March 1, 2008.
5. The planning alliances shall develop their plans for school consolidation as required by section 2603, subsection 2 no later than June 30, 2008.

6. The school boards and school union boards shall consider and act on the recommendations of the planning alliances for educational service collaboratives no later than June 30, 2008.
7. The legislative bodies of the school administrative units shall consider and act on the plans for consolidation of school administrative units and school unions no later than April 15, 2009 for implementation, if approved, as of July 1, 2009.

**§2606. Sunset and reauthorization.** Unless reauthorized by the Legislature, this chapter is repealed on February 1, 2010. It is the intent of the Legislature that the goals of section 2601 shall have been achieved by that date.

**Sec. A-2. 20-A MRSA, Part 2, Chapter 114-A** is enacted to read:

### Chapter 114-A

#### EDUCATION SERVICE COLLABORATIVES

**§2651. Purpose and goals.** It is the policy of the State to encourage school boards of school administrative units and school unions to form educational service collaboratives to provide joint or shared school administrative and non-instructional services, and where appropriate, to encourage municipalities, counties and other quasi-municipal corporations to participate in educational service collaboratives. The purpose of educational service collaboratives is to achieve efficiencies in school administrative, non-instructional and specialized services, including purchasing, finance and payroll, facilities, human resources and technology, transportation, food service, safety and security, and health services, and special education. Where non-school units of local government and quasi-municipal corporations are participants in an educational service collaborative, the educational service collaborative may provide corresponding services for such non-school participants in order to achieve efficiencies for all the participants.

**§2652. Educational service collaboratives authorized.** In addition to the formation of educational service collaboratives through planning alliances as provided in section 2603, the governing bodies of school administrative units, school unions, municipalities, counties and other quasi-municipal corporations may form and participate in educational service collaboratives in accordance with the procedures of section 2653.

#### **§2653. Formation of educational service collaboratives.**

1. **Submission of plan.** A preliminary plan for an educational service collaborative may be developed and approved by the governing bodies of school administrative units, school unions, municipalities, counties and other quasi-municipal corporations. These participants shall submit a preliminary plan to the commissioner.
2. **Plan contents.** The plan for an educational service collaborative may include:

- a. The school administrative units and school unions to be included in the educational service collaborative.
- b. The composition of the board of directors of the educational service collaborative.
- c. The method of voting of the educational service collaborative.
- d. The initial fiscal year budget of the educational service collaborative and the proposed method of assessing costs.
- e. The designation of a member school administrative unit or school union as fiscal agent.
- f. The other resources needed for the initial operation of the educational service collaborative and the responsibility of each participant to provide a portion of those resource.
- g. The services that the educational service collaborative intends to provide pursuant to section 2651.

3. **Action by commissioner.** Within 90 days of submittal, the commissioner shall approve the plan upon a finding that the plan is consistent with the purposes and goals of this chapter, and, in cases where there is a non-school participant, that the plan is consistent with the education and education funding laws of this state. Alternatively, if the commissioner determines that a plan is not consistent with the goals and purposes of this chapter, or, as applicable, that the plan is not consistent with the education and education funding laws of this state, the commissioner shall return the plan to the governing bodies of the participants with specific suggestions for modification. If the commissioner does not approve a plan or return the plan with specific suggestions for modification within 90 days, the commissioner is deemed to have approved the plan.

4. **Certificate of organization.** If the commissioner approves or is deemed to have approved the plan, the commissioner shall issue a certificate of organization for the educational service collaborative. The certificate of organization for an educational service collaborative shall bear the official name of the educational service collaborative, the date of organization, and the names of the participants. The commissioner shall file an attested copy of the certificate of organization with the Office of the Secretary of State. The issuance of a certificate of organization shall be conclusive evidence of the lawful organization of the educational service collaborative.

5. **Call of initial meeting.** Upon issuing a certificate of organization for an educational service collaborative, the commissioner shall call the initial meeting of the board of directors of the educational service collaborative by notifying the clerk or secretary of each school administrative unit, school union and non-school participant that

has voted to join of the date, time and place of that meeting. The notice of the meeting shall be mailed at least 10 days prior to the meeting date.

#### **§2654 Directors.**

1. **Appointment.** The governing body of each school administrative unit, school union and non-school participant of an educational service collaborative shall elect one director to serve on the educational service collaborative board of directors. The director representing each participant, shall be a member of its governing body, or its superintendent or designee. Each director shall serve at the will of the governing body that appointed the director.

2. **Vacancies.** The appointing governing body shall fill any vacancy which occurs.

3. **Initial Board Meeting.** At the initial meeting of the board of directors of an educational service collaborative, one half of the eligible members of the board of directors shall constitute a quorum. If a quorum is not present, the members present shall notify the commissioner, who shall issue a new notification. If there is a quorum, the board of directors shall adopt rules of procedure, elect officers and conduct other lawful business as it deems appropriate.

#### **§2655 Reorganization of educational service collaboratives.**

1. **Addition of new participants.** A school administrative unit, school union, municipality, county or other quasi-municipal corporation may join an existing educational service collaborative by a favorable vote of its governing body to join the education service collaborative under the terms of a proposed revised plan and a vote of the board of directors of the educational service collaborative to accept the new participant and to approve the proposed revised plan. The proposed revised plan for an educational service collaborative shall be submitted to the commissioner for review and decision in accordance with the procedures for formation of an educational service collaborative under this section. If the commissioner approves the reorganization, the commissioner shall issue an amended certificate of organization in accordance with this chapter. Upon issuance of the amended certificate, the governing body of the new participant shall elect a director to serve as its representative on the board of directors.

2. **Plan amendment.** An educational service collaborative may amend its approved plan by vote of its board of directors. The revised plan shall be submitted to the commissioner for review and decision in accordance with the procedures for formation of an educational service collaborative under this chapter.

3. **Withdrawal of participants.** A participant of an educational service collaborative may withdraw from an educational service collaborative by a majority vote of the governing body of that participant. If the governing body votes favorably on a withdrawal from an educational service collaborative, the withdrawing participant shall

immediately give written notice, by registered mail, to the educational service collaborative and the commissioner, which notice shall include an explanation by the governing body of the withdrawing participant, stating the reason or reasons why the participant seeks to withdraw from the educational service collaborative and stating proposed terms of withdrawal. The withdrawing participant and the board of directors of the educational service collaborative each shall appoint one or more representatives to negotiate a proposed withdrawal agreement. The negotiators shall meet within thirty days of the filing of the notice of the vote to withdraw and shall thereafter meet without undue delay to negotiate the terms of a withdrawal agreement. The proposed withdrawal agreement shall be voted upon by the board of directors of the educational services collaborative and the governing body of the withdrawing participants. The agreement shall be submitted to the commissioner within ninety days of after the first meeting of the negotiators. Extensions of time may be granted by the commissioner upon request of both parties. The proposed withdrawal agreement shall address the matters to be addressed in an agreement for the withdrawal of a municipality from a school administrative district under section 1405, to the extent applicable. Within sixty days of the receipt of the proposed withdrawal agreement, the commissioner shall either give a conditional approval or recommend changes. If a withdrawal agreement is not approved by either party within ninety days after the first meeting of the negotiators, each party shall submit to the commissioner a detailed explanation of their points of difference, and the commissioner within sixty days of the receipt of these submissions shall propose a withdrawal agreement, which shall be subject to approval by the board of directors of the educational services collaborative and by the governing body of the withdrawing participant. The approval of the commissioner of a proposed withdrawal agreement shall be based upon the standards under section 1403(A) for the withdrawal of a municipality from a school administrative district, to the extent applicable, and the commissioner's findings of whether the contents of the plan will provide for the appropriate educational and related services to the students of the educational service collaborative and for the orderly transition of assets, governance, and other matters related to the district.

A withdrawal agreement approved or proposed by the commissioner shall be submitted to the board of directors of the educational service collaborative. The board of directors shall vote whether to approve the recommended withdrawal agreement within thirty days of receiving the recommended withdrawal agreement from the commissioner. If the board of directors of the educational service collaborative approves the withdrawal agreement, the governing body of the withdrawing participant shall meet within thirty days and vote on the withdrawal agreement. If the voting body of the participant votes to withdraw, the governing body shall immediately notify the educational service collaborative and the commissioner, and the commissioner shall issue an amended certificate of organization to the educational service collaborative. A withdrawal agreement shall be effective at the end of the fiscal year in which it is finally approved, unless otherwise provided in the agreement.

**§2656. Legal Status.** An educational service collaborative is a quasi municipal corporation within the meaning of 30-A M.R.S.A. §2604(3) and a political subdivision within the meaning of 30-A M.R.S.A. § 2252.

## **§2657 Authority and Powers.**

The authority and powers of educational service collaborative shall include:

1. **Contracts.** The board of directors of an educational service collaborative is authorized to enter into contracts with its participants and with third parties. To the extent not prohibited by the terms of a contract, participants are authorized to assign contracts to educational service collaboratives, and educational service collaboratives are authorized to accept assignment of such contracts.
2. **Employment.** The board of directors of an educational service collaborative is authorized to enter into agreements with its members for staff services, or, to the extent determined by the board to be necessary, to hire one or more employees. If an educational service collaborative hires one or more employees, it shall be a “public employer” for purposes of 26 MRSA §962.
3. **Real Estate.** The board of directors of an educational service collaborative is authorized to acquire and to convey real estate and interests in real estate, including buildings and leaseholds. The term of any lease of an educational service collaborative shall not exceed 10 years, except when a school administrative unit, school union or other participant has issued bonds or notes to finance the leased facility, in which case the term of the tenancy of an educational service collaborative may be coextensive with the term of the financing.
4. **Budgeting and Cost Sharing.** The board of directors of an educational service collaborative is authorized to approve the annual budget, to distribute costs to its participants, and to expend funds.
5. **Investment of Funds.** The board of directors of an educational service collaborative is authorized to invest funds through its treasurer in accordance with 30-A MRSA sections 5706 through 5719.
5. **Acceptance of Gifts and Grants.** The board of directors of an educational service collaborative is authorized to accept conditional and unconditional gifts and grants, outright or in trust. Conditional gifts requiring ongoing commitment of funds must be authorized by the participants in accordance with applicable law.
6. **Lease Purchase Financing.** The board of directors of an educational service collaborative is authorized to issue municipal lease purchase agreements to vendors or third party lease finance companies to finance equipment, facilities, furnishings, instructional materials, software and related professional services and costs of issuance for school purposes, and when the educational service collaborative includes non-school participants, for corresponding governmental purposes of such non-school participants. The term of a lease purchase agreement shall not exceed the anticipated useful life of the property and in any case shall not exceed ten years. For purposes of

and to the extent permitted by federal tax law, an educational service collaborative shall be considered a subordinate entity controlled by the school administrative units, the members of the school unions, and the non-school participants who belong to the educational service collaborative. The participants shall not delegate their taxing, eminent domain and police powers to the educational service collaborative.

7. **Organizational powers.** The board of directors of an educational service collaborative is authorized to organize any corporate or other legally recognized entity, including 501(c)(3) corporations and educational foundations, and is authorized to enter into any other legally recognized arrangement for shared or joint provision of services for the purpose of promoting the objectives of this chapter. The establishment of an educational service collaborative under this chapter shall not limit the authority of public agencies, including school administrative units, to enter into agreements under title 30-A sections 2201 through 2207 to exercise powers jointly, or the authority of school administrative units or school unions to enter into any other agreements pursuant to applicable law to provide joint or educational services.

**§2568. Savings Reports.** Each educational service collaborative shall prepare an annual report of joint activities and estimated savings achieved and shall submit the annual report to the commissioner and each of its participants.

**§2569 Cost and Benefit Sharing.** Costs and benefits of an educational service collaborative shall be allocated to its participants in such manner as the board of directors determines. The cost allocations shall bear an appropriate relationship to the benefits received by each participant.

**§2570 Prohibited Appointments and Employment.** The following provisions apply to members of the board of directors of an educational service collaborative.

1. **Definition.** As used in this section, unless the context otherwise indicates, “Employee” means a person who receives monetary payment or benefits, no matter the amount paid or hours worked, for personal services performed for an educational service collaborative.

2. **Employment by educational service collaboratives.** A member of the board of directors of an educational service collaborative or spouse of a member may not be an employee of the educational service collaborative, provided that this prohibition shall not apply to employment by a member of the education service collaborative.

3. **Appointment to civil office and other employment.** A member of the board of directors of an educational service collaborative may not, during the term for which the member serves on the board and for one year after the member ceases to serve on the board, be appointed to any civil office of profit or employment position, which has been created or the compensation of which has been increased by the action of the board during the time the member services on the board.

A contract made by a board of directors of an educational service collaborative shall be subject to the requirements of Title 30-A section 2605.

**Sec. A-3.** 20-A MRSA §1001, sub-§§3 is amended to read as follows:

**3. Selection of Superintendent.** They shall select a superintendent or contract for administrative services in accordance with section 1051 to carry out the duties specified in section 1055.

**Sec. A-4.** 20-A MRSA §1051 is amended by adding a new sub-§7 to read as follows:

7. Notwithstanding the other provisions of this section, a school administrative unit or school union with fewer than \_\_\_\_ resident pupils is not required to employ a superintendent of schools and may contract for administrative services with another school administrative unit, an educational advisory organization reorganized under section 5724, or the department. A school administrative unit, educational advisory organization or the department in providing administrative services under this paragraph shall have the rights and duties of a superintendent under this subchapter.

**Sec. A-5.** 20-A MRSA §5724, sub-§§9 is amended by adding at the end a new paragraph to read as follows:

A recognized educational advisory organization may contract with a school administrative unit with less than \_\_\_\_ resident pupils for administrative services as permitted by section 1051(7).

**Sec. A-6.** 20-A MRSA §15905 is amended by adding a new sub-§§8 to read as follows:

8. Joint Application. Two or more school administrative units proposing to consolidate into a single school administrative unit which is to become fully operational only upon completion of a school construction project may submit a joint application to the state board for a school construction project. Prior to submission of a joint application under this paragraph, the governing bodies of each school administrative unit must have adopted a vote to pursue a plan of consolidation of the school administrative units in the event that the project is placed on the State Board's priority list. The Department of Education shall rate the application in the same manner as it would if the school administrative units submitting the joint application were a single school administrative unit. If a joint project is placed on the State Board's priority list for concept approval, the legislative bodies of the school administrative units must vote to consolidate into a single school administrative unit prior to receiving concept approval for the project from the State Board. For purposes of

this section, the school administrative units may vote to consolidate into a single school administrative unit on the condition that the school construction project receive final approval from the State Board, that the project receive a favorable vote at referendum, and that the consolidated unit will not become fully operational until the start of the fiscal year in which the project is expected to be completed. The state board shall amend its school construction rules to permit joint applications for school construction projects as authorized by this subsection. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

**Sec. A-7.** 20-A MRSA §1202, sub-§§6 is amended by adding a new paragraph C-1 to read as follows:

C-1. If a majority of those with voting rights at the joint meeting determine that the school administrative district should not become fully operational until the fiscal year in which a school construction project which is the subject of a joint application to the state board under section 15905(8) is expected to be completed, the joint meeting may instruct the superintendents of the school administrative units to prepare a transition plan for the formation of the school administrative district. The transition plan may provide for the school administrative district to become partially operational for the purpose of electing a board of school directors, planning, constructing and financing a proposed school construction project, adopting transition budgets, borrowing school construction funds, and engaging in other transitional activities, and for the district to become fully operational at the start of the fiscal year in which the school construction project is expected to be completed. The transition plan shall be submitted to the participants at the joint meeting for approval, and if approved by a majority of the participants at the joint meeting, shall be submitted to the commissioner for approval.

**Sec. A-8.** 20-A MRSA §1202, sub-§§6 is amended by adding anew paragraph G to read as follows:

G. If a school administrative district is to be formed subject to a transition plan approved by the commissioner under paragraph C-1 the voters shall act on the following article:

Article \_\_\_\_: To see if the municipality will vote to join with the municipalities of \_\_\_\_ (naming them) to form a school administrative district which is to become partially and fully operational in accordance with the terms of a transition plan for formation of the district as approved by the State of Maine Commissioner of Education on (date of approval).

**Sec. A-9.** 20-A MRSA § 1253, sub-§§1 is amended by adding a new sentence at the end to read as follows:

If the school administrative district has been formed subject to a transition plan approved by the commissioner under section 1202(6)(C-1), the commissioner shall provide each of the directors with a copy of the transition plan and the district shall become partially and fully operational in accordance with the terms of that transition plan.

**Sec. A-10.** 20-A MRSA §1301, sub-§§1 is amended to read as follows:

**1. Method of sharing additional local funds.** The additional local funds of a school administrative district must be shared among all municipalities within the district in one of the following ways:

- A. Under a property valuation method municipalities shall share additional local funds in the same proportion as each municipality's certified state valuation for the year prior to the most recently certified state valuation is to district's total state valuation for that year.
- A-1. Under a per pupil method municipalities shall share additional local funds in the same proportion as each municipality's average number of resident pupils on April 1 and October 1 of the prior calendar year is to the district's average number of resident pupils on April 1 and October 1 of the prior calendar year;
- A-2. Under an essential programs and services required local contribution method, municipalities shall share additional local funds in the same proportion as each municipality's required local contribution to the unit's total cost of education for that fiscal year as determined under the Essential Programs and Services Funding Act, section 15688 (3-A)(B) is to the unit's required local contribution to the total cost of education for that fiscal year;
- B. Under an alternate plan approved by the state board and by a vote of the legislative bodies of the school administrative units forming the district and based on:
  - (1) The number of resident pupils in each town;
  - (2) The State valuation of each member municipality;
  - (2-A) The essential programs and services required local contribution of each member municipality;
  - (3) Any combination of subparagraphs (1), (2) and (2-A); or
  - (4) Any other factor or combination of factors that may, but need not, include subparagraphs (1), (2) and (2-A).
- C. (Repealed).

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

**Sec. A-11.** 20-A MRSA §1704, sub-§§1 is amended to read as follows:

1. Formula. A community school district shall share its additional local funds among the member municipalities on the basis of:
  - A. The number of resident pupils in each municipality;
  - B. The State valuation of each member municipality for the year prior to the most recently certified state valuation;
  - B-1. The required local contribution of each member municipality to the unit's total cost of education for that fiscal year as determined under the Essential Programs and Services Funding Act, section 15688 (3-A) (B);
  - C. Any combination of paragraphs A, B and B-1;
  - D. Any other formula authorized by the Legislature; or
  - E. Any other factor or combination of factors that may, but need not, include paragraph A, B and B-1.

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

**Sec. A-12.** 20-A MRSA §4102, sub-§§ 3, first sentence is amended to read as follows:

3. Lack of Need. The building has been deemed to be unnecessary or unprofitable to maintain by the affirmative vote of two-thirds of the full membership of the governing body of the unit.

**Summary.** Section A-1 this bill requires all school administrative units to participate in Planning Alliances to implement collaboration and recommend specific consolidations among school units in order to achieve the following legislative goals: 1) costs savings equal to at least 10% of school administrative and non-instructional costs in FY 2010; the implementation of a regional service delivery profile for certain school

administrative services; 3) statewide use of educational service collaboratives to improve efficiency; and 4) consolidation of Maine's small school administrative units. For implementation in FY 09, the planning alliances are required to develop detailed plans for the reorganization of administrative and non-instructional services and the organization of educational service collaboratives. For implementation in FY 2010, the planning alliances must present plans for voter consideration of school unit consolidation.

Section A-2 establishes a statutory method for establishing educational service collaboratives, describes their governance and addresses other necessary organizational and legal matters.

Sections A-3 through A-5 eliminate the statutory requirement that small school units hire a superintendent and authorizes them to contract for administrative services with another school unit, an educational advisory organization or the department.

Sections A-6 through A-8 encourage consolidation of school administrative units by authorizing them to submit joint applications for school construction projects. These sections also transition plans which permit newly established school administrative units to become partially operational for purposes of constructing a new school facility before becoming fully operational for other school purposes. These provisions will encourage joint school construction projects and remove an existing barrier to consolidation.

Sections A-10 and A-11 add a new method of sharing costs and authorize SADs and CSDs to share additional local funds among member municipalities in proportion to the required local contribution of each municipality under the Essential Programs and Services Funding Act. This new method of sharing costs will promote administrative efficiency and remove an existing barrier to school unit consolidation. Section A-12 requires a two-thirds vote of the governing body of an SAD or CSD in order to initiate proceedings to close a school in one of its member municipalities.