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LR #: TBA
Sponsor: EDU
Drafted by: PDM
Date: 3/21/07
File Name:

EDU Cmte Amd #2 to LD 499, Part MM
("Extra Strength" majority report)

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COMMITTEE AMENDMENT "A" TO LD 499 , An Act Making Unified Appropriations and Allocations for the Expenditures of State Government . . . and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2008 and June 30, 2009 (EMERGENCY)

Title: An Act to Reform Public Education by Encouraging Regional Approaches

Amend the bill by striking out all of Part MM and replacing it with the following:

Sec. 1. 20-A MRSA §1, sub-§26 is amended to read:

26. **School administrative unit.** Beginning July 1, 2008, "School school administrative unit" means the state-approved unit of school administration as established pursuant to chapter 103-A that serves at least 2,500 students and includes a municipal school unit, school administrative district, community school district or any other municipal or quasi-municipal corporation responsible for operating or constructing public schools, except that it does not include a career and technical education region.

Sec. 2. 20-A MRSA §1, sub-§31 is amended to read:

31. **School union.** Beginning July 1, 2008, "School school union" means a union composed of school administrative units joined for the purpose of providing joint administrative services, including a joint superintendent, as established pursuant to chapter 103-A that serves at least 2,500 students.

Sec. 3. 20-A MRSA c. 103-A is enacted to read:

CHAPTER 103-A

REORGANIZATION OF STATE-APPROVED
UNITS OF SCHOOL ADMINISTRATION

§1451. Reorganization of school administrative units and school unions into regional state-approved units of school administration

Notwithstanding any other provisions of this Title, this chapter governs the reorganization of school administrative units and school unions into regional state-approved units of school administration. It is declared the policy of the State to encourage the reorganization of school administrative units and school unions into regional state-approved units of school administration of sufficient size to provide:

1. Opportunity. Equitable educational opportunity for all students to demonstrate achievement of the content standards of the State's system of learning results established in section 6209:

2. Programs. Rigorous academic programs that meet the requirements of the system of learning results established in section 6209;

3. Tax rates. A greater uniformity of school tax rates; and

4. Public funds. A more effective use of public funds expended for the support of public schools by means of the creation of more cost efficient organizational structures.

§1452. Consolidation of school administrative units and school unions

Beginning July 1, 2008, each school administrative unit that serves less than 2,500 students and each school union that serves less than 2,500 shall be consolidated to create a regional state-approved units of school administration that serve at least 2,500 students, referred to in this chapter as "regional school units." Regional school units shall provide prekindergarten to grade 12 public education, including career and technical education, in accordance with this Title, and shall develop and implement policies that encourage collaboration in administration, educational programming and the sharing of community resources for the continuous improvement of student achievement and the preparation of students for college, careers and citizenship.

1. Plans for consolidation of school administrative units and school unions into regional school units. On or before December 1, 2007, the governing body of each school administrative unit and each school union shall submit to the commissioner a plan for the consolidation of school administrative units and school unions into regional school units that ensure that each school union and each school administrative unit not a member of a school union serves at least 2,500 resident pupils. The commissioner may grant exceptions from this requirement for coastal island communities, Maine Indian education schools, and geographic isolation. The governing bodies of school administrative units and school unions shall convene meetings and caucuses as necessary to prepare the consolidation plans required by this chapter. The plans for consolidation shall address at a minimum the following matters consistent with the requirements of this chapter:

A. The school administrative units and school unions to be included in the proposed consolidated regional school unit;

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 if the parties elect not to use the provisions of section 1453 regarding the disposition of debt 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

1. Such other matters as the governing bodies of the school administrative units and school unions may determine to be necessary.

2. Parameters of consolidation plans for regional school units. In developing a consolidation plan for the reorganization of school administrative units and school unions in existence during the 2006-07 school year, the governing bodies of school administrative units that serve less than 2,500 students and school unions that serve less than 2,500 students shall work within the following parameters.

A. The plan may not displace teachers or students or close any schools existing and operating during the 2006-07 school year except as permitted under section 1454; and

B. The plan must consolidate administrative functions, duties and non-instructional personnel in order that the following is accomplished:

(1) The projected non-instructional expenditures of the consolidated regional school unit in fiscal year 2008-09 must be 10% less than the aggregate of the non-instructional expenditures of each of the participating school administrative units or school unions in fiscal year 2007-08;

(2) The projected system administration expenditures of the consolidated regional school unit in fiscal year 2008-09 may not represent more than 7% of the non-instructional expenditures in fiscal year 2008-09 as defined in this chapter; and

(3) School administrative units that serve 2,500 or more students and school unions that serve 2,500 or more students existing and operating during the 2006-07 school year shall also submit a plan to the commissioner to comply with the provisions of subparagraphs (a) and (b).

For the purposes of this chapter, "non-instructional expenditures" are those expenditures specifically related to the following categories in the department's education data management system: system administration, school administration, transportation and buses, facilities maintenance, other instruction, and all other.

3. Department of Education responsibilities. The department shall have the following responsibilities in the implementation of this chapter:

A. Assisting all of the governing bodies of the school administrative units and school unions in the collection and presentation of data pertinent to the charge established by this chapter;

B. Assisting in the organization of the meetings and caucuses convened by the governing bodies of the school administrative units and school unions to prepare consolidation plans as provided in subsection 1;

C. Providing or contracting for facilitation services to be provided to the governing bodies of the school administrative units and school unions to ensure their ability to fulfill the charges required by this chapter; and

D. Submitting a report to the Legislature no later than January 1, 2008 that describes the compliance of the participating school administrative units and school unions with the requirements of this chapter.

4. Review and approval of consolidation plans by commissioner. Proposed consolidation plans submitted to the commissioner on or before December 1, 2008 shall be reviewed by the commissioner and approved or disapproved by December 15, 2007. 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 subsection 1, paragraphs A through I. If the commissioner finds 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 governing bodies of the school administrative units and school unions with specific suggestions for modification of the plan. In that event, the governing bodies of the school administrative units and school unions shall revise the proposed plan for consolidation to address the commissioner's findings and submit a revised plan for consolidation not later than December 31, 2007. The commissioner shall approve or disapprove the revised plan for consolidation by January 15, 2008. If a plan or revised plan for consolidation has been approved by the commissioner by December 31, 2007, the commissioner shall issue a certificate of organization to the school administrative units or school unions that are consolidated into regional school units.

5. Authority of commissioner to consolidate school administrative units and school unions in noncompliance. If a governing body of a school administrative unit or school union does not submit a proposed consolidation plan as required by this section, or if a consolidation plan is disapproved by the commissioner, the commissioner is authorized to develop and approve a consolidation plan by January 1, 2008 for the school administrative unit or school union that has not met the school consolidation requirements of this chapter. The commissioner's consolidation plan must be designed to achieve the goals and purposes of this chapter, including the matters described in subsection 1, paragraphs A through I. The commissioner shall issue a certificate of organization to the school administrative units or school unions that are consolidated into regional school units pursuant to this subsection.

6. Implementing legislation. The commissioner shall submit emergency legislation to the Legislature no later than January 15, 2008 to implement the reorganization and consolidation of school administrative units and school unions into regional school units pursuant to this chapter. The legislation submitted by the commissioner must also address the following:

- A. Incentives for consolidation into regional school units, including but not limited to:
 - (1) Additional points to be awarded to consolidated regional school units in the rating of applications for the major capital school construction program or the revolving renovation fund;
 - (2) Additional allocations of state subsidy, as funds may be made available, from appropriations to the Essential Programs and Services Funding Act or the Fund for the Efficient Delivery of Educational Services; and
 - (3) A reduction in the full-value education mill rate required under the Essential Programs and Services Funding Act for a limited number of years following consolidation;
- B. Revisions to the relevant cost components of the Essential Programs and Services Funding Act to be implemented for the fiscal year 2008-09 allocation of General Purpose Aid to Local Schools to reflect the administrative and non-instructional costs of efficient, high-performing school units; and

C. Any other revisions to this Title or rules adopted pursuant to this Title that may be necessary or useful to conform this Title and such rules and to accomplish the purposes of this chapter.

The joint standing committee of the Legislature having jurisdiction over education matters is authorized to report out legislation to the Second Regular Session of the 123rd Legislature related to the reorganization of school administrative units or school unions pursuant to this chapter.

§1453. Debt liability

This section governs debt obligations existing at the time of a reorganization or consolidation accomplished pursuant to this chapter unless a different arrangement is made pursuant to a plan approved by the commissioner under this chapter.

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings:

A. "Existing debt" means any bond or other debt instrument in the form of a note or other short-term debt obligation issued for the purposes of funding public schools, or for refinancing such debt, that remains outstanding at the time of a reorganization or consolidation pursuant to this chapter. "Existing debt" does not include routine payables or commercial contract obligations:

B. "Original education unit" means:

A. A school administrative unit or school union that has existing debt; or

B. A municipality that has existing debt incurred on behalf of a school administrative unit or school union; and

C. "New unit" means a regional school unit created or established pursuant to this chapter.

2. Liability remains with original unit. Existing debt held by an original education unit remains the obligation of that original education unit after a reorganization or consolidation pursuant to this chapter. No original education unit may be finally dissolved or merged into a new unit while any existing debt held by the original education unit remains outstanding. All aspects of an original education unit's administrative or political organization may be merged into a new unit or otherwise modified to accomplish the purposes of this chapter but its existing debt and its right to secure payment of such debt from income streams that existed at the time of the issuance of such debt may not be affected or altered except as authorized by this section.

A. A new unit may agree to pay the existing debt of an original education unit that is included within the new unit. If the new unit pays the existing debt, the original education unit is relieved of paying that debt, but, in the event that the new unit fails to pay any amount of the existing debt, the original education unit remains responsible for the deficiency. The original education unit shall ensure that timely payments of existing debt are made, regardless of whether the new unit has agreed to make the debt payments.

B. Notwithstanding any other provision of law or any provision of any trust agreement, a new unit may use any sinking fund or other money set aside by the original education unit to pay an existing debt to pay that debt.

C. A new unit may issue bonds or other debt instruments for the purpose of refinancing or retiring the existing debt of an original education unit. The issuance of such bonds or other debt must be in accordance with applicable procedural requirements, including the procedural requirements of section 1311.

3. No impact on state debt subsidies. No change in any administrative or political organization resulting from the creation of a new unit may affect any state subsidy with respect to existing debt or the relative portion of any such debt paid or reimbursed by the state except as provided in this subsection.

A. The original education unit may continue to pay its existing debt obligations in due course as though no new unit had been created and its choice to do so may not reduce or otherwise affect the level of state assistance or subsidy with respect to that existing debt.

B. If the original education unit and the new unit choose to refinance the existing debt, the state subsidy or assistance with respect to the debt must be determined as of the date of the new issuance and must be based on that refinancing and not on any previous subsidy or assistance calculation related to the existing debt.

§1454. Supermajority vote to a close school in the regional school unit

A school operated within the regional school unit may not be closed unless the governing body of the regional school unit approves by an affirmative vote of 2/3 of the elected membership of the governing body to close the school at a regular or special meeting of the governing board.

§1455. Contracts for secondary school programs

A regional school unit may contract with a nearby regional school unit or with a private school approved for tuition purposes for all or part of its secondary school pupils. The contract may run from a period of 2 to 10 years. The contract must also comply with section 2703 and may provide for the formation of a joint committee in accordance with section 2704. A regional school unit in which a school administrative unit in existence prior to June 30, 2008 has contracted for secondary school programs is bound by the terms of that contract, unless otherwise negotiated by the parties.

§1456. Finances

A regional school unit may raise money, in addition to the local contribution pursuant to section 15690, subsection 1, for establishing and maintaining public schools, erecting buildings and providing equipment. The additional costs of operating a regional school unit must be shared among all municipalities within the regional school unit by the same local share percentages for each municipality resulting from the determination of the local contribution under section 15688.

§1457. Budget preparation.

The regional school unit budget must be prepared as follows.

1. Preparation by governing body of the regional school unit. The governing board of the regional school unit shall annually prepare a budget for:

A. Operational costs;

B. Bonds falling due;

C. Interest on bonds or other obligations;

D. Rentals and other charges in a contract; and

E. Temporary loans.

2. Distribution. At least 7 days before the regional school unit budget meeting, the governing board of the regional school unit shall make available to the legislative body responsible for final budget approval and residents of the regional school unit a detailed budget document. The detailed budget document must include a summary of anticipated revenues and estimated school expenditures.

§1458. Regional school unit budget: budget formats

1. Content. Effective July 1, 2008, a regional school unit shall include in its budget document:

A. The regional school unit's total cost of funding public education from kindergarten to grade 12, its non-state-funded debt service, if any, and any additional expenditures authorized by law;

B. A summary of anticipated revenues and estimated school expenditures for the fiscal year; and

C. The following statement, including the estimated dollar amount of state retirement payments: "This budget does not include the estimated amount of \$..... in the employer share of teacher retirement costs that is paid directly by the State."

2. Actions on budget. Effective July 1, 2008, the following provisions apply to approving a regional school unit budget under this chapter.

A. Checklist required. Prior to a vote on articles dealing with regional school unit appropriations, the moderator of a regular or special regional school unit budget meeting shall require the clerk or secretary to make a checklist of the registered voters present. The number of voters listed on the checklist is conclusive evidence of the number present at the meeting.

§1459. Cost center summary budget format: approval; validation

After January 31, 2008, the format of the annual budget of a regional school unit must be in accordance with this chapter.

1. Cost center summary budget format. The regional school unit budget must consist of the following cost centers and supporting data:

A. Expenditures:

(1) Prekindergarten to grade 12 instruction;

(2) Instructional support;

(3) Leadership;

(4) Operations;

(5) Transportation; and

(6) Other commitments:

B. Revenue sources:

(1) Total education costs appropriated pursuant to section 15690, subsection 1:

(2) Non-state-funded debt service costs approved pursuant to section 15690, subsection 2, if any; and

(3) Additional local funds, if any, approved pursuant to section 15690, subsection 3, paragraph A or B:

C. A summary of total regional school unit expenditures; and

D. Other optional local data showing the amount and percentage of changes proposed in the state allocation, the local share and the total regional school unit budget and related information determined appropriate by the governing board of the regional school unit.

2. Budget warrant. The warrant articles presented to the legislative body of the regional school unit for approval of the regional school unit budget must correspond to the categories of the cost center summary budget described in subsection 1. In addition to expenditure and revenue cost center summary totals, the governing board of the regional school unit shall provide to voters a reasonably detailed breakdown for each major subcategory within each budget category. The department shall adopt routine technical rules pursuant to Title 5, chapter 375, subchapter 2-A defining and establishing the content of those informational subcategories.

3. Budget approval. A regional school unit's cost center summary budget must be approved at a regional school unit budget meeting and by a budget validation referendum as provided in section 1467.

4. Transfer between budget cost center lines. During the year for which the budget is approved using the cost center summary budget format, the governing board of the regional school unit may transfer an amount not exceeding 5% of the total appropriation for any cost center to another cost center or among other cost centers without voter approval.

5. Budget validation referendum. After January 31, 2008, the procedure for approval of the annual budget of a regional school unit must be in accordance with this subsection and subsection 6.

A. Budget validation. Following development of the annual regional school unit budget and approval at a regional school unit budget meeting as provided in subsections 1 to 3, a referendum must be held in the regional school unit as provided in this subsection to allow the voters to validate or reject the total budget adopted at the regional school unit budget meeting.

B. Validation referendum procedures. The budget validation referendum must be held on the 3rd day, other than Saturday, Sunday or a legal holiday, following the scheduled date of the regional school unit budget meeting. The vote at referendum is for the

purpose of approving or rejecting the total regional school unit budget approved at the regional school unit budget meeting. The board of directors shall provide printed information to be displayed at polling places to assist voters in voting. That information is limited to the total amounts proposed by the governing board of the regional school unit for each cost center summary budget category article, the amount approved at the regional school unit budget meeting and a summary of the total authorized expenditures.

6. Budget validation referendum voting. The method of calling and voting at a budget validation referendum is as provided in sections 1460 and 1461, except as otherwise provided in this subsection or as is inconsistent with other requirements of this section.

A. A public hearing is not required before the vote.

B. The warrant for a regional school unit budget meeting to be followed by a budget validation referendum may be a consolidated warrant covering both.

C. The warrant and absentee ballots must be delivered to the municipal clerk at least 7 days before the date of the regional school unit budget meeting.

D. Absentee ballots received by the municipal clerk may not be processed or counted unless received after the conclusion of the regional school unit budget meeting and before the close of the polls.

E. All envelopes containing absentee ballots received before the conclusion of the regional school unit budget meeting or after the close of the polls must be marked "rejected" by the municipal clerk.

F. The article to be voted on must be in the following form.

"Do you favor approving the (name of regional school unit) budget for the . . . school year that was adopted at the regional school unit budget meeting on . . . ?

Yes No"

7. Failure to approve budget. If the voters do not validate the budget approved in the regional school unit budget meeting at the budget validation referendum vote, the governing board of the regional school unit shall hold another regional school unit budget meeting in accordance with this subsection and subsections 1 to 3 at least 10 days after the referendum to vote on a budget approved by the governing board of the regional school unit. The budget approved at the regional school unit budget meeting must be submitted to the voters for validation at referendum in accordance with this subsection. The process must be repeated until a budget is approved at a regional school unit budget meeting and validated at referendum. If a budget is not approved and validated before July 1st of each year, subsection 8 applies.

8. Failure to pass budget. If a budget for the operating of the regional school unit is not approved prior to July 1st, the latest budget as submitted by the governing board of the regional school unit is automatically considered the budget for operational expenses for the ensuing year until a final budget is approved, except that, when the governing board of the regional school unit delays the regional school unit budget meeting, the operating budget must be approved within 30 days of the date the commissioner notifies the governing board of the regional school unit of the amount allocated to the regional school unit under section 15689-B or the latest budget submitted by the governing board of the regional school unit becomes the operating budget for the next school year.

9. Special budget meeting. The governing board of the regional school unit may call a special budget meeting when it declares an emergency exists. The voters of the regional school unit may authorize the governing board of the regional school unit at a special regional school unit budget meeting to expend additional funds from the regional school unit's undesignated fund balance or to pledge the credit of the regional school unit to obtain additional money for the operation of schools. A special budget meeting held on or after July 1, 2008 must be conducted in accordance with sections 1460 and 1461.

§1460. Method of calling a regional learning community referendum

A regional learning community referendum must be initiated by a warrant prepared and signed by a majority of the regional learning community board of directors. The warrant must be countersigned by the municipal officers in the municipality where the warrants are posted.

1. Municipal officers. The warrant must direct the municipal officers within the regional learning community to call a referendum on a date and time determined by the regional learning community board of directors. A warrant must be prepared and distributed at least 30 days prior to the date of the referendum, except that a warrant for a regional learning community budget referendum held in accordance with this chapter must be prepared and distributed at least 14 days prior to the date of the referendum.

A. The warrant must be directed to a resident of the regional learning community by name, ordering the resident to notify the municipal officers of each of the municipalities within the regional learning community to call a town meeting or city election on the date specified by the regional learning community board of directors. No other date may be used. The person who serves the warrant shall make a return on the warrant stating the manner of services and the time when it was given.

B. The warrant must be served on the municipal clerk of each of the municipalities within the regional learning community by delivering an attested copy of the warrant in hand within 3 days of the date of the warrant. The municipal clerk, on receipt of the warrant, shall immediately notify the municipal officers within the municipality. The municipal officers shall forthwith meet, countersign and have the warrant posted.

C. The warrants and other notices for the referendum must be in the same manner as provided in Title 21-A, except that the regional learning community board of directors shall hold a public hearing at least 7 days before the referendum vote. At least 7 days before the public hearing, the regional learning community board of directors shall give notice of the public hearing by having a copy of the proposed referendum, together with the time and place of hearing, posted in the same manner required for posting a warrant under this section.

2. Content of the warrant. The warrant must set forth the articles to be acted on in each municipal referendum. The articles must have the following form.

A. On or after July 1, 2008, when a referendum is called for the purpose of authorizing the issuance of bonds or notes for capital outlay purposes, the articles must be substantially as follows.

(1) "Do you favor authorizing the board of directors of (name of regional learning community) to issue bonds or notes in the name of this regional learning community for school construction purposes in an amount not to exceed \$..... to construct a (elementary or secondary school) to be located at (specifically defined lot where school is to be erected)

Yes No"

(2) "Do you favor authorizing the board of directors of (name of regional learning community) to issue bonds or notes in the name of this regional learning community for school construction or minor capital projects in an amount not to exceed \$..... for the purpose of (purpose of school construction project)

Yes No"

(3) "Do you favor authorizing the board of directors of (name of regional learning community) to use the bond issue or notes in an amount not to exceed \$..... which was voted by the regional learning community on (date) to construct a (elementary or secondary school) to be located at (specifically defined lot where school is to be located)

Yes No"

(4) "Do you favor authorizing the board of directors of (name of regional learning community) to construct a (elementary or secondary school) to be located at (specifically defined lot where school is to be located) with the total project cost not to exceed \$..... and to issue bonds or notes in the name of this regional learning community for school construction purposes in an amount not to exceed \$..... with the balance of the total project costs to be derived from (description of other sources of funds such as initial state share where approved

for current fiscal year funding, proceeds from insured losses, money from federal sources, other noneducational funds, etc.)

Yes No"

B. When a regional learning community votes to change the site of its school construction project using the article in paragraph A, subparagraph (3), the date of authorization of the project is the original date the voters authorized the regional learning community board to issue bonds or notes for that project.

C. On or after July 1, 2008, when a referendum is called for the purpose of authorizing the regional learning community board to contract for the schooling of secondary pupils, the article must be as follows.

"Do you favor authorizing the board of directors of (name of regional learning community) to contract in the name of this regional learning community with (name of regional learning community or private school) for the schooling of secondary pupils for a term of years?

Yes No"

D. On or after July 1, 2008, when a referendum is called for the purpose of authorizing a change in the method of sharing costs in the regional learning community, the article must be as follows.

"Do you favor changing the method of sharing costs in (name of regional learning community) from the present method of (describe) to the method of: (describe).

Yes No"

E. On or after July 1, 2008, when a referendum is called for the purposes of accepting or rejecting a prospective gift, the article must be as follows.

"Do you favor authorizing the board of directors of (name of regional learning community) to accept a prospective gift under the following conditions? (terms and conditions).

Yes No"

§1461. Referendum procedures

The following procedures apply to a regional learning community referendum.

1. Ballots. The regional learning community board of directors shall prepare and furnish the required number of ballots for carrying out the referendum as posted, including absentee ballots. The regional learning community board of directors shall prepare and furnish all other materials necessary to fulfill the requirements for voting procedures.

2. Voting. Voting must be held and conducted as follows.

A. The voting at referenda held in towns must be held and conducted in accordance with Title 30-A, sections 2524 and 2528 to 2532, even though the town has not accepted the provisions of Title 30-A, sections 2524 and 2525. The facsimile signature of the clerk under Title 30-A, section 2528, subsection 6, paragraph F must be that of the regional learning community chair of the board of directors. If a regional learning community referendum is called to be held simultaneously with any statewide election, the voting in towns must be held and conducted in accordance with Title 21-A, except that the duties of the Secretary of State must be performed by the regional learning community board of directors and if the statewide election is a primary election, any registered voter may vote in the referendum. The absentee voting procedure of Title 21-A must be used, except that the duties of the Secretary of State must be performed by the regional learning community board of directors.

B. The voting at referenda in cities must be held and conducted in accordance with Title 21-A, including the absentee voting procedure, except that the duties of the Secretary of State must be performed by the regional learning community board of directors and if the statewide election is a primary election, any registered voter may vote in the referendum.

3. Return and counting. The return and counting of votes must be as follows.

A. The municipal clerk shall, within 24 hours of the determination of the results of the vote in the municipality, certify and send to the regional learning community board of directors the total number of votes cast in the affirmative and in the negative on each article.

B. As soon as all of the results from all of the municipalities have been returned to the regional learning community board of directors, the regional learning community board of directors shall meet and compute the total number of votes cast in all of the municipalities within the regional learning community in the affirmative and in the negative on each article.

C. If the regional learning community board of directors determines that there were more votes cast in the affirmative than in the negative on a given article, it shall declare that the article has passed.

D. If the regional learning community board of directors determines that the total number of votes cast on an article in the affirmative is equal to or less than those cast in the negative, it shall declare that the article has not passed.

E. The regional learning community board of directors shall enter its declaration and computations in its records and send certified copies to the clerk of each municipality within the regional learning community.

§1462. Reconsideration

The procedure to reconsider votes taken at a regional learning community referendum is as follows.

1. Time limit. The regional learning community board of directors shall, within 60 days, initiate a new regional learning community referendum to reconsider the vote of the previous

referendum if, within 7 days of the first referendum, at least 10% of the number of voters voting for the gubernatorial candidates in the last gubernatorial election in the municipalities within the regional learning community petition to reconsider a prior regional learning community referendum vote.

2. Required quorum. A reconsideration referendum is not valid unless the number of persons voting in that referendum is at least equal to the number who voted in the prior regional learning community referendum.

3. Bond. If the margin of the vote being reconsidered was between 10% and 25%, the petitioners shall post a bond with the petition equal to the actual and reasonable costs of the new referendum. If the margin of the vote being reconsidered exceeded 25%, the petitioners shall post an additional bond equal to the actual and reasonable costs that may be incurred as a result of the delay of an authorization or approval granted in the prior regional learning community referendum. If the petitioners are successful, the bonds must be canceled.

Chapter 103-B

Regional School Units and Regional Collaboration

§1463. Purpose and goal.

It is the intent of the Legislature to change the manner that educational services for prekindergarten through grade 12 are delivered in this State in order to decrease administrative and non-instructional costs while maintaining and fostering excellence in the classroom. Regional planning alliances are established in accordance with section 1465 to facilitate communication among school administrative units, the consolidation of school administrative units, and the development of collaborative agreements.

The goal of consolidation and regional collaboration is to achieve a reduction of 10 percent in state and local expenditures for administrative and non-instructional costs for kindergarten through grade 12 public school education by fiscal year 2010.

§1464. Definitions

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

1. Administrative and non-instructional costs. "Administrative and non-instructional costs" means those costs associated with system administration, school administration, transportation and buses, and school facilities maintenance. "Administrative and non-instructional costs" include costs associated with financial services, food services, information technology and health services.

2. Collaborative agreement. "Collaborative agreement" means an agreement between 2 or more school administrative units to share the responsibility and cost of an administrative function or educational function. Collaborative agreement includes, but is not limited to, a shared purchasing or contract agreement, an agreement for shared staff or staff training, an agreement to share technology or technology support, an agreement to provide special education programs and support services, and an agreement between school administrative units or school unions and municipalities.

3. Regional planning alliance. "A regional planning alliance" or "alliance" means a group established in accordance with section 1465.

4. Regional school unit. "Regional school unit" means a state-approved unit of school administration, including a school administrative unit or a school union composed of one or more municipalities which must provide public education to all public school students in the unit.

5. Regional school collaboration. "Regional school collaboration" means one or more municipalities that have entered into a cooperative agreement.

§1465 Regional planning alliances.

1. Initial 26 regional planning alliances. Twenty six regional planning alliances are established based on geographic boundaries of the career and technical education regions under section 8451 (*Drafting Note: Need to bring in 26 region text from Part MM*). The commissioner shall notify the governing body of each school administrative unit of its assignment to one of the 26 regional planning alliances.

2. Requests for modification to initial regional planning alliances. Within 45 days of receiving notification from the commissioner in accordance with subsection 1, the governing body of a school administrative unit or school union may apply to the commissioner to be assigned to a regional planning alliance other than the alliance to which that unit or union was initially assigned. The commissioner shall approve an application upon determining that the reassignment does not impair the ability of a planning alliance to meet its responsibilities under section 1466.

3. Formation of a regional planning alliance based on existing cooperative agreements. Within 45 days of receiving notification from the commissioner in accordance with subsection 1, the governing bodies of 2 or more school administrative units may apply to the commissioner to be designated as a regional planning alliance. The commissioner shall approve an application upon determining that the proposed alliance has the ability to meet its responsibilities under section 1466 and that at the time of application the school administrative units have:

- A. A valid shared services agreement under section 2501;
- B. A cooperative agreement approved under section 7253; or
- C. Been identified by the state board under section 405, subsection 3, paragraph U as participating in a cooperative agreement.

4. Denial of requests. The commissioner may deny a request under subsection 2 or 3 if the commissioner finds that the proposed realignment is inconsistent with or detrimental to the goal of achieving greater efficiencies in the delivery of educational services.

5. Revised number and boundaries for regional planning alliances. Between 45 and 90 days after notifying school administrative units of the initial 26 regional planning alliances, the commissioner shall act on all requests for modifications to those alliances and publish a list identifying by number or name each alliance with the towns, plantations and townships encompassed in each.

6. Composition of regional planning alliances. Each planning alliance consists of the following:

- A. One representative of each school union in the planning region appointed by the union committee;
- B. One representative of each school administrative unit in the region that is not a member of a school union appointed by the school board;
- C. One representative of the member municipalities in each school union in the planning region appointed by a caucus of municipal officials in the region ;
- D. One representative of the member municipalities in each school administrative unit in the region that is not a member of a school union in the planning region appointed by a caucus of municipal officials in the region;
- E. Four members of the general public who are residents of the region selected as follows:
 - 1) One member appointed by the President of the Senate.
 - 2) One member appointed by the minority leader of the Senate.
 - 3) One member appointed by the Speaker of the House.
 - 4) One member appointed by the minority leader of the House.

The appointing authority shall notify the commissioner upon making an appointment.

7. Convening of alliances: information provided. The commissioner shall send written notice to the members of a planning alliance advising the members of the time, date and place for an initial meeting for that alliance. The commissioner or the commissioner's designee shall attend the initial meeting and serve as chair until a chair can be elected from among the members of the alliance. The commissioner shall assist each alliance in the collection and presentation of information and shall provide information maintained by the department and pertinent to the alliance's duties prior to the initial meeting.

8. Continuing assistance. The commissioner shall provide technical assistance and facilitation services to each regional planning alliance.

§1466 Responsibilities of regional planning alliances.

Each alliances shall develop a plan for reorganizing the delivery of administrative and non-instructional services and initiating collaborative agreements.

1. Baseline information. Each alliance shall for the geographic region it represents:

- A. 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;
- B. 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;

- C. 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;
- D. 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;
- E. 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;
- F. 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;
- G. 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;
- H. Identify schedules that pertain to the school administrative units, including without limitation school calendars, school board meetings, budget development and budget approval meetings;
- I. Map out the school transportation system that is used to transport students to and from school and other activities; and
- J. Identify other baseline information regarding the provision of educational administrative services within the region that the planning alliance finds pertinent to its responsibilities.

2. Development of recommendations. Each planning alliance shall prepare a plan for 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 1463. The plan must, at a minimum:

- A. Recommend the number of educational administrative and non-instructional full-time equivalent positions required within the planning alliance region 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.
- B. 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 region;

- C. Recommend the coordination of schedules, including without limitation, school calendars, school board meetings, and school budget development and budget adoption meetings;
- D. Recommend, as applicable, the development of coordinated school transportation systems; and
- E. Recommend the administrative and non-instructional services made available through an educational services collaboration for the benefit of school administrative units and municipal units of government in the region.

3. Submission of plan. Each alliance shall submit a plan, including recommendations developed in accordance with subsection 2, to the Commissioner of Education no later than January 1, 2009.

4. Review and approval of regional collaboration. The commissioner shall review the recommendations of each alliance and work with the alliances to finalize configurations and agreements for regional school collaborations that in the commissioner's judgment best address the purpose and achieve the goal of regionalization as stated in section 1463. The commissioner shall submit a final plan for regional school collaborations to the joint standing committee of the legislature having jurisdiction over education matters for review and approval. The joint standing committee of the legislature having jurisdiction over education matters may report out legislation to the 2nd Session of the 123rd Legislature to codify the formation of regional school collaborations. The commissioner shall submit legislation to the 2nd Session of the 123rd Legislature to revise or repeal provisions for the establishment and responsibilities of regional planning alliances.

SUMMARY

This amendment strikes and replaces Part MM to direct that, beginning July 1, 2008, school administrative units that serve less than 2,500 students and each school unions that serve less than 2,500 shall consolidate to create regional state-approved units of school administration that serve at least 2,500 students. The amendment accomplishes the following.

1. The amendment requires school administrative units and school unions to submit plans for consolidation in accordance with this requirement.
2. The amendment sets standards and parameters for consolidation including consolidation of administrative functions, duties and non-instructional personnel in order that the projected non-instructional expenditures of the consolidated regional school unit in fiscal year 2008-09 is 10% less than the aggregate of the non-instructional expenditures of each of the participating school administrative units or school unions are in fiscal year 2007-08, and that the projected system administration expenditures of the consolidated regional school unit in fiscal year 2008-09 does not represent more than 7% of the non-instructional expenditures in fiscal year 2008-09.
3. Consolidation plans must be approved by the Department of Education; and, if plans are not consistent with the established requirements, the Commissioner of Education is authorized to develop a consolidation plan for the units or unions.
4. The department is required to submit further necessary implementing legislation to the Legislature by January 15, 2008.

5. The amendment includes various specific provisions relating to consolidation including provisions relating to debt liability, closures of schools, contracts, finances and regional school unit budget processes.

6. The amendment also establishes regional planning alliances to convene not later than July 1, 2008 to foster collaboration among school administrative units and school unions in 26 regions of the State. The amendment also provides for the development of collaboration agreements among school administrative units and school unions in the regions.

