

An Incentive Plan for Consolidation

1. A Common Plan. The State Board shall consult with state and local stakeholders to develop promptly by August 1, 2007, a series of one or more alternative consolidation plans. Each plan must include all organized portions of Maine and be designed to produce statewide results that will:

- a. include all municipalities within consolidated school administrative units;
- b. provide that each new unit shall have a single governing board and contain at least one secondary school;
- c. yield an average unit size exceeding 2500 students;
- d. divide the state into no more than 80 units that are reasonably contiguous and compact;
- e. include whole existing units wherever practicable;
- f. merge adjoining and nearby units whose present separation is in part the product of cultural or economic disparities;
- g. preserve or enhance existing opportunities for choice of schools; and
- h. maximize opportunities to deliver services that can more effectively be provided in larger districts than from within small units or individual schools. These services include:

Central Office

- 1. accounting, payroll and financial management
- 2. contract bargaining and administration
- 3. personnel and human services
- 4. insurance & workers' comp
- 5. legal, medical and public health support
- 6. maintaining a pool of qualified substitute teachers

Support Services

- 7. transportation routing and vehicle maintenance
- 8. maximizing building occupancy & plant efficiency
- 9. food service purchasing & dietary planning
- 10. energy, plant and facilities management
- 11. computer & software purchasing & service
- 12. purchasing, leasing & servicing of equipment
- 13. bulk purchasing of consumables & fuel

Curriculum

- 14. curriculum development and alignment
- 15. oversight of standardized tests & common assessment systems
- 16. professional development programming for teachers and ed techs
- 17. bulk purchasing of texts & instruction material
- 18. staff technology training & support

Specialty Instruction

19. vocational education (currently consolidated into 27 regions)
20. music, art, second language, library & research instruction
21. special instruction programs concerning school violence, substance abuse & family life education
22. enrichment for gifted & talented students
23. advanced placement courses
24. career guidance & college placement counseling

Remediation

25. reading recovery training and teacher assistance
26. special education: IEP development, direct and contracted services
27. providing hospital and homebound instruction
28. operating adult ed and GED programs
29. including local colleges in student remediation programs

Educational Choice

30. creating ATM, Internet and other course sharing opportunities
31. coordinating calendars and schedules to make course sharing possible
32. sharing instruction & courses with local colleges
33. coordinating choice among public & private schools & home school settings

So long as the above specifications are met, any group of existing school units may request the Board to approve an alternative alignment and the Board may, at any time, amend its plans to respond to new information or to accommodate reasonable preferences consistent with the above policies.

2. Definitions:

"Consolidation" means the merger of a primary school administrative unit ("SAU") with one or more other SAUs or municipalities to form a new district that is governed by a single board.

"Primary SAU" is the school administrative unit contributing the largest number of subidizable pupils into a consolidated district.

3. Incentives. Upon consolidation, the new SAU is entitled to the following:

- a. **General Grant.** A grant of \$200 for each subsidizable pupil from the SAUs or municipalities that have consolidated with or into the primary SAU.
- b. **Special grant.** A grant of \$50 for each subsidizable pupil who is counted as a free or reduced lunch pupil coming from the SAUs or municipalities that have consolidated with or into the primary SAU.
- c. **Mill rates.** A reduction of one-half mill in the full-value mill rate as applied to the entire new district for three consecutive fiscal years following consolidation.
- c. **School Construction.** Added weight within the State Board's grading system for approving school construction funds for any school project that is related to the merger.

4. The Consolidation Incentive Fund. This plan sets aside within GPA \$10.26 million in a non-lapsing fund from which to pay incentives in ¶3a & 3b. The fund is derived from the transfers outlined in ¶5a & 5b. It requires no appropriation beyond funds available in the Governor's budget. The fund is supplemented by the Commissioner's Professional Development Fund that is outside of GPA (See ¶5c).

5. Three Sources for the Incentives:

a. From EPS for Minimum Receivers. For both years of the biennium, the plan reduces to 80% the EPS reimbursement for special education costs granted to the 80 minimum receiver districts. It transfers the savings (at least \$7.0M for the biennium) to the Consolidation Incentive Fund.

b. From Transition Adjustment Funds. It reassigns within GPA the transition adjustment funds in FY 08 (\$3.26M) to the Consolidation Incentive Fund.

c. From Professional Development Funds. The Commissioner's budget contains \$3.552M to pay for assisting Maine's 290 school units to reform into 26 districts. This plan requires the Commissioner to use these funds to supplement consolidation

incentives and to fund consolidation work by the Department and the Board throughout the state for the coming year.

6. Balancing the Budget. The budget is brought to balance in 4 ways:

a. Building Principals. This plan eliminates the Governor's proposal to pay the state share of costs for a principal in each school in FY 09. This saves \$7.23M in state and local share or \$3.98 million in state funds alone.

b. Transparency in Budgeting. The plan requires units to align budgets to a common format containing about ten major line items of EPS. Budgets approved for FY 09 and thereafter must disclose on the ballot how the district's spending compares with EPS in each category. It further requires that voters be separately given the same financial information from a high performing school district of a size and demographic profile determined by DOE to be comparable to the district in which the vote is being taken.

c. Consolidations. Incentivized consolidations should save the rest.

d. Further Balancing. If DOE and OFPR determine that these three savings (6a through c) are insufficient to substitute fully for the \$36.5M deducted from GPA in the Governor's budget, then the difference is made up by scaling back GPA for FY 08 while still allocating the full 55% state share in FY 09.

Senator Peter Mills
Representative Meredith Burgess