

Guidance on Regional Service Centers

Regional Service Center – Application Timeline

| DATE | WHO | ACTION |
|--|------|---|
| Sept 29, 2017 | DOE | Issue Guidance Issue 2-part application <ul style="list-style-type: none"> • Part I – Application • Part II – Application and ILA required contents Funds for facilitators available Funds for legal cost reimbursement available |
| By Nov 30, 2017 | SAUs | Part I application due <ul style="list-style-type: none"> • DOE has to "freeze data" on Dec 1, which impacts the ED 279 (financial, staff, student). This allows the DOE to estimate the mill rate and estimate the local share of the cost of education for the statutory Feb 1 deadline. |
| By Dec 15 | DOE | Respond to Part I applications <ul style="list-style-type: none"> • Additional funding for facilitator and legal costs |
| Dec – June, 2018 | SAUs | Draft Regional Service Center Budget |
| By April 15, 2018 | SAUs | Part II application due to DOE (ILA) |
| By June 12, 2018 (statewide election day) | SAUs | Local approval of Interlocal Agreement and Budget establishing Regional Service Center (Maine DOE Guidance 2/27/2018) |

Regional Service Center Application

- **Part I** – Due by November 30, 2017
- **Part II** – Due by April 15, 2018

Maine DOE Funding for Planning

- \$30,000 in funding is available for [facilitation and/or legal cost reimbursement](#) for regional groups of SAUs

Information and Resources

- [EMBRACE Regionalization Information Center](#)
- Regionalization Coordinator, Finance; Deb Lajoie – deborah.j.lajoie@maine.gov
- Regionalization Project Manager; Jennifer Pooler – jennifer.g.pooler@maine.gov

Questions and Answers about Regional Service Centers (RSC)

Please note: Additional questions and answers will be added to this document as necessary.

Membership

Q-M1. The statute requires the Commissioner to “determine 9 to 12 geographic areas for the establishment of each school management and leadership center.” How will these areas be determined?

Answer (Per [Maine DOE Guidance on 12/15/2017](#))--The Commissioner's decision is to affirm and build upon the nine superintendent association regions and existing collaborative relationships and regional efforts.

The geographic areas, pending further action are:

1. AROOSTOOK COUNTY (potential to subdivide further)
2. PENQUIS
3. WASHINGTON COUNTY
4. HANCOCK COUNTY
5. MID-COAST
6. WESTERN MAINE
7. CUMBERLAND COUNTY
8. KENNEBEC VALLEY
9. YORK COUNTY
10. STATEWIDE, at-large

While these geographic areas provide the outline of the regional partnerships, membership in a regional service center does not, under statute, require the member to be physically located in the area's geographic boundary. The Commissioner has further determined that more than one regional service center may be formed in a geographic area. Such formation should be guided by a desire to create long-term, enduring partnerships, and to avoid creating redundant services within the same geographic area.

Answer (prior to 11/30/2017)--The Commissioner will designate the areas informed by the applications received by the Department. The 9 - 12 number is meant to signal the size and significance of the centers statewide, and to provide geographic coverage across the state's student population. The Commissioner may designate an area if there is a gap.

Q-M2. What happens if one or more prospective members do not obtain local approval on the interlocal agreement to establish or join the regional service center by June 12, 2018?

Answer (Per [Maine DOE Guidance on 12/15/2017](#))--The Department remains committed to the goal that initial regional service centers are operational by July 1, 2018, and encourages all applicants to pursue this timeframe.

In the event that there are applicants with member SAUs that are unable to gain local approval in time for July 1, the Department will consider on a case by case basis whether it makes sense to hold the individual SAU Regionalization and Efficiency Assistance allocations for a reasonable amount of time to allow local school communities to reach agreement. In such an instance, the Department will proceed as follows:

- The Regionalization and Efficiency Assistance allocation calculated for each participating SAU on the ED 279 will be held by the Department, pending the negotiation of an agreement between the Department and each SAU.
- In the agreement, the member SAUs will outline the steps that will be taken during the 2018-2019 fiscal year to finalize the regional service center, and laying out milestones that the member SAUs commit to meeting by certain dates to keep the progress on track.
- In the event that the milestones are met and local approval of the regional service center occurs by the deadline established in the agreement, the DOE shall make the entire Regionalization and Efficiency Assistance allocation available to each member SAU that joins the proposed regional service center and agrees to purchase at least two services from at least two distinct categories.

Answer (prior to 11/30/2017)--The interlocal agreement should address this in the section that establishes the process for local approval of the regional service center.

Q-M3. What happens if a member SAU does not meet, in any given year, the minimum criteria to qualify as a member of the RSC?

Answer--The interlocal agreement should state the member obligations and what happens within the RSC if those obligations are not met.

At the State level, if an SAU does not purchase a minimum of one service from one funding category of service and a second service from a different funding category, in any given year, it will not be eligible for the Regionalization Efficiency Assistance allocation.

Q-M4. Can the members of a school union or alternative organizational structure (AOS) form or join a regional service center and receive the financial incentives?

Answer--Individual member SAUs of a school union or AOS may become members of a regional service center, or the members of the school union or AOS may dissolve the school union or AOS to form a new regional center.

Q-M5. Is it permissible for an SAU to be a member of more than one regional center, even if one is not close by?

Answer--According to statute, SAU's may be members of an unlimited number of RSCs; however, the Commissioner encourages each RSC to maintain a flexible menu of services that reflect the needs of the members. Membership in a regional service center does not require the member to be physically located in the regional service center's geographic boundary.

Note: While an SAU may be a member of more than one service center, they are only eligible for one RSC subsidy allocation.

Q-M6. Can the interlocal agreement state that membership dues are associated with the services purchased from the regional service center (i.e., fee for service)?

Answer--Member dues and cost-sharing provisions, such as fee for service, are determined by the members and are included in the interlocal agreement.

Q-M7. What is the process for additional SAUs to join an RSC prior to the Part II application submission?

Answer--The regional service center Part I applicants should agree to accept the new school administrative unit into the RSC for the Part II application. After that occurs, the lead applicant and any new SAUs should notify the Department for informational purposes, by a joint email, of the new SAU's intent to join the RSC for the Part II application.

Q-M8. If an SAU was listed as a member of an RSC in Part I of the application, and either plans to withdraw from the application process or join a different RSC in Part II of the Application, how should the SAU proceed?

Answer--If an SAU has decided not to move forward as a member of an RSC in a Part II application, they should notify the lead applicant. After that occurs, the SAU should notify the Department by email of their decision.

If the SAU intends to become a member of a different regional service center Part II application, they should follow the process described in Q-M7 for additional SAUs to join the RSC in the Part II application process.

Q-M9. Will the Department review and approve a completed Part II Application and interlocal agreement before the April 15, 2018 deadline?

Answer--The Department encourages an applicant to submit a completed Part II Application for review and approval prior to April 15. The Department will review applications on a rolling basis and provide feedback in a timely manner so that SAUs may proceed with the necessary steps to complete and obtain local approval of their interlocal agreements.

If the applicant has questions prior to completion of the Part II Application, the Department would be happy to provide guidance.

Q-M10. What is the process for obtaining local approval for an interlocal agreement to establish a regional service center?

Answer--The Department issued updated [guidance on local approval for an RSC on 2/27/2018](#). Previous guidance stated that each SAU member of an RSC must hold a referendum on their interlocal agreement; however, a recent review of applicable statutes provides that local practices and each SAU's structure will determine the approval process for an RSC interlocal agreement. Specifically:

Approval by town meeting

For a regional school unit (RSU), school administrative districts (SAD), community school district (CSD) or municipal school unit that has a town meeting to approve the annual school budget, a referendum is not required to approve an interlocal agreement establishing an RSC. These types of SAUs can obtain local approval of the interlocal agreement establishing an RSC at the annual school budget meeting.

Approval by referendum

There is no change to guidance for cities and charter municipalities that do not approve the annual school budget at an annual budget meeting. For SAUs in this category a referendum vote to approve an interlocal agreement establishing an RSC will be required on the June 12, 2018 statewide election day.

Q-M11. Can two or more SAUs create an RSC simply by building upon programs and/or services they are currently sharing?

Answer--Yes, the Department wishes to honor those existing partnerships and collaborative efforts. However, the SAUs will need to formalize the partnerships by establishing a regional service center pursuant to the criteria in Chapter 123.

Finance

Q-F1. Can a regional service center borrow funds or bond on behalf of the member SAUs?

Answer--The regional service center has the authority to borrow, expend, and accept funds on behalf of the member SAUs. The interlocal agreement must specifically address the process by which the regional service center is authorized to issue bonds and notes for school construction purposes.

Q-F2. Please clarify the direct state funding available to a regional service center.

Answer--An approved regional service center that provides at least two different services from at least two different funding categories will receive 55% of the executive director's salary and benefits, 100% of the cost of an accounting and payroll system, and 100% of the cost of a student information system. In year one, prior to actual costs, direct state funding will be based on estimates related to the three components.

For school year 2019-20 and subsequent years – Each regional service center will receive direct state funding based on actual component expenditures.

Q-F3. What does "at least two different services from at least two different categories of service" mean?

Answer--In order to receive direct state funding as described in Q-F2 above, a regional service center must provide a minimum of one service from one funding category of service and a second service from a second funding category of service. For example, a regional service center sharing costs for a regional special education director for a 3- and 4-year-old program under Category 1 and regional transportation services for homeless youth under Category 4 would meet the requirements for direct state funding.

Q-F4. How can an SAU that has already regionalized some services or programs become eligible to receive the Regionalization and Efficiency Allocation incentive?

Answer--SAUs that submit an RSC application that meets the criteria set forth in Chapter 123 is eligible for the Regionalization and Efficiency Assistance allocation.

Q-F5. The application timeline is very tight; why are Part I applications due so soon?

Answer--The Department must freeze all data (financial, staff, student) that has a potential impact on the ED 279s on December 1 of each year. This allows the Department time to estimate the statewide mill rate and estimate the local share of the cost of education by the statutory February 1 deadline.

If an SAU is planning to become a member in a regional service center, a Regionalization and Efficiency Assistance adjustment will need to be estimated prior to December 1 in order to be reflected on their ED 279.

Q-F6. What is the timeline for the phase-out of the per-pupil system administration allocation? (Revised 10/17/17)

Answer--

- During FY 2017-18, all SAUs are receiving a \$135 per-pupil allocation for system administration.
- In FY 2018-19, all SAUs will receive a \$92 per-pupil allocation for system administration. If an SAU is a member of a regional service center, they will also receive an additional \$46 per-pupil allocation for Regionalization and Efficiency Assistance. As with the current system administration per-pupil allocation, districts will be able to use those funds at their own discretion.
- In FY 2019-20, all SAUs will receive a \$47 per-pupil allocation for system administration. If an SAU is a member of a regional service center, they will also receive an additional \$94 per-pupil allocation for Regionalization and Efficiency Assistance. As with the current system administration per-pupil allocation, districts will be able to use those funds at their own discretion.
- In FY 2020-21, the per-pupil allocation for eligible SAUs is to be determined by the Commissioner based on a statewide review of system administration costs of high-performing, efficient SAUs.

Q-F7. Please explain the penalty for SAUs that do not join a regional service center. (Revised 10/17/17)

Answer-- There is no penalty. The biennial budget that passed in July 2017 included changes that reduced the amount of money allocated to all school districts for system administration while increasing the weight of other factors more closely connected to student instruction. The net effect of these two changes is that overall funding will increase for most districts. SAUs that form or join regional service centers – which are voluntary, flexible, and can offer services based on districts’ needs or desires – will be eligible for Regionalization and Efficiency Assistance.

Q-F8. Is there an expectation from the DOE that all monies in Section 5 of the ED 279 designated as Regionalization and Efficiency Assistance be spent on the RSC or is this discretionary?

Answer--The allocation in Section 5 of the current 2018-19 ED279 is based on the SAUs membership in a regional service center as noted in RSC applications - Part I. The Regionalization and Efficiency Assistance is revenue to the SAU's general fund and therefore can be used at the discretion of the SAU.

Q-F9: How will Maine DOE distribute the RSC direct state funding?

Answer--Maine DOE will distribute year one direct state funding, currently set at \$97,200.00, to RSCs by manifest. The year one start-up funding will be distributed to RSCs that successfully meet Part II application requirements, receive the Commissioner's approval and the voters' approval as specified in the interlocal agreement. Reference - 20-A §3805.

Q-F10: How will RSCs account for any earnings in a year?

Answer--RSCs should define a balanced budget in their interlocal agreements along with the method of determining the return of any surplus funds to members. RSCs must have a balanced budget pursuant to 20-A M.R.S §3802(10). Funds remaining after a balanced budget should be used to improve or add to the RSC services, placed in reserve, or be distributed to RSC members.

Q-F11: How will RSCs report finances to Maine DOE?

Answer--RSC reporting requirements to Maine DOE are the same as an SAU's reporting requirements. View [Maine DOE's Finance home page](#).

Q-F12: What are the revenue and expense code for RSCs?

Answer--The Department continues to work on the fund codes for the RSCs and are in conversations with US DOE to finalize our guidance.

Q-F13: What are the requirements for an RSC's Chart of Accounts?

Answer--An RSC's Chart of Accounts will be established using the same account coding structure found in [Maine DOEs Accounting Handbook and Model Chart of Accounts](#).

Q-F14: How/When will ED279's be regenerated for districts that join an RSC for the Part II application that were not listed as members on the original Part I application?

Answer--SAUs that are applicants of a Regional Service Center Part I application are currently appropriated the allocation for the Regionalization and Efficiency Assistance on the ED279 generated for February 1, 2018.

To accommodate any changes in regional service center membership that may occur between Part I and Part II RSC applications, the Department will make 2018-19 ED279 Regionalization and Efficiency Allocation adjustments on July 1, 2018.

In the event that there are applicants with member SAUs that are unable to ratify interlocal agreements in time for July 1, the Department will consider, on a case by case basis, whether it makes sense to hold the regional center subsidy for a reasonable amount of time to allow local school communities to reach agreement. In such an instance, the Department will proceed as follows:

- The subsidy adjustment calculated for each participating SAU on the ED 279 will be held by the Department, pending the negotiation of an agreement between the Department and each SAU.
- In the agreement, the member SAUs will outline the steps that will be taken during the 2018-2019 fiscal year to finalize the regional service center, and laying out milestones that the member SAUs commit to meeting by certain dates to keep the progress on track.

In the event that the milestones are met and ratification of the regional service center occurs by the deadline established in the agreement, the DOE shall make the entire subsidy adjustment available to each member SAU that joins the proposed regional service center and agrees to purchase at least two services from at least two distinct categories.

Governance

Q-G1. What is the penalty if we dissolve our AOS and form a regional service center?

Answer--There is no penalty for dissolving an AOS.

Q-G2. What happens to the local school board/committee when an SAU becomes a member of a regional service center?

Answer--Membership in an RSC does not change the local governance structure of local schools; the local school board/committee retains its governance of local schools.

Q-G3. What is required in regards to the governance of a regional service center?

Answer--The statute does not prescribe how the RSC is to be governed; the members have the flexibility to create a structure and representation that works for them.

Part I of the Application asks for the **concept** of the structure and governance of the regional service center and its purposes, functions, programs and services.

Part II of the Application requires the specified structure and governance of the regional service center and its purposes, functions, programs and services. And, the interlocal

agreement requires the regional service center board composition, election or appointment of officers, board member terms and method of voting.

Employment

Q-E1. What are the qualifications/credentials for the executive director?

Answer--The qualifications and/or credentials of the executive director are determined based on the services and functions that the RSC provides. Members of the RSC may determine additional qualifications or credentials for their regional service centers.

Q-E2. Can an SAU keep its superintendent after becoming a member of a regional center?

Answer-- An SAU may pay for full or part-time superintendent services. However, if specified in the interlocal agreement, an SAU may elect to share the service with the other members of the regional service center. Membership in a regional service center does not require an SAU to share superintendent services.

Q-E3. Can a member SAU's superintendent serve simultaneously as the executive director of the regional service center? And if so, will the regional service center receive 55% of this individual's salary and benefits? (Revised – 10/17/17)

Answer--The law allows members of the RSC to determine who will serve as the executive director, and there are likely several different solutions that will emerge based on local needs.

Fifty-five percent of the salary and benefits of the executive director position will be paid to the regional service center, regardless of who holds the position. The duties of the executive director position must be clearly specified in the interlocal agreement and may or may not include superintendent services.

Q-E4. There are several outstanding questions pertaining to employment by the regional service center, namely: the applicability of school employment law; state collective bargaining laws; and, whether employees of the regional center are covered by MainePERS or Social Security. How does the Department plan to provide guidance on these topics?

Answer--The Department will respond to questions related to employment as they arise for groups planning regional service centers.

Q-E5. Are RSC employees eligible for the Maine Public Employees State Retirement System teacher/administrator plan?

Answer--Maine DOE has drafted legislation for the 2nd regular session of the 128th legislative session to bring RSC employees under MainePERS teacher/administrator plan.