

# School Administrative Reorganization

December 4, 2010

## Overview

***Every child in the state of Maine deserves equal access to educational opportunities. Our economy demands it. And every taxpayer has a right to expect that every educational dollar – more than one-third of all taxpayer dollars – is being spent wisely.***

***As the national recession continues to impact state revenues, the implementation of Maine's school administrative reorganization law is critical to prioritizing limited resources for the classroom. Already, the law has resulted in incredible opportunities for students in the districts that have reorganized, adding and expanding programs such as pre-kindergarten, foreign languages, Advanced Placement courses, gifted and talented, and others. The goals of equal opportunity, rigorous programming, sustainability, and efficient use of funds are being achieved.***

***As a result of Maine's foresight and the wisdom of its citizens in preserving the reorganization law, the state is three years ahead of other states which are scrambling to catch up with Maine, which is much better prepared to face current economic uncertainties.***

## Success on the Ground – Savings and Educational Opportunities

In the first year of the reorganization implementation, most of the newly reorganized school systems were heavily engaged in academic and administrative planning, strategic planning and curriculum alignment work.

Many of these newly reorganized school systems – which enroll over 61,000 students, or more than one-third of the students in the state – have expanded educational opportunities to the students in their region. Along the way, they have also shown significant savings, even when taking into consideration the startup costs.

School systems seeking to stand alone were required to file Alternative Plans and were required to show that they could sustain educational programming. Every district, regardless of size, must demonstrate savings and those reductions in funding for system administration will not affect classroom instruction. These districts range significantly in enrollment and geographic make-up, reflecting the flexibility built into the law.

Nearly 170,000 Maine students – almost 90 percent of all public school students – are in 97 school districts that conform with the reorganization law. By July 1, 2011, fewer than 10 percent of all students will be in non-conforming districts, as additional districts have voted to reorganize on that date. The number of school administrative units has dropped by over one-third – from 290 to 179.

## Results

- **Statewide and local savings.** By requiring efficiencies in non-classroom functions through the funding formula, the state is able to reduce annual commitments by \$36 million and reduce the local obligation by \$30 million annually.
- **District-level savings.** Individual districts are finding significant savings. Four districts alone generated combined savings over \$2 million in their first year, even with start-up costs. Nearly every RSU that has

met with the Department indicates they are either saving money already or expect to shortly. The greatest savings are being achieved in the central office, transportation, contracted services, purchasing, and maintenance. All say sustainability of educational programs without these savings would be extremely difficult or impossible.

- **Extremely varied school system configurations and sizes**, reflecting the flexibility built into the law. For example, “stand-alone” units range in size from about 1,000 students to over 7,000; there are RSUs and AOSs ranging from small groupings of two to three communities to wide geographic areas; they are in southern, western, northern and eastern Maine.
- **Utilization of space.** By assessing and reconfiguring, several units have reported more efficient and effective use of their buildings.
- **Fiscally prepared.** Reorganized units were better prepared to plan for current budgetary constraints.

### Stand-Alone Units

**According to the law, as passed by the Legislature and affirmed by the voters**, districts that could demonstrate they already met the size requirements and could sustain themselves, or that they met the efficiency standards, were not required to merge with other districts.

Nonetheless, **every school district was required to make changes and to find efficiencies**. They were not exempted from the law. In fact, each stand-alone district had to develop a plan and achieve substantial savings, particularly in four non-instructional areas:

- Administration;
- Special education;
- Transportation; and
- Facilities and maintenance.

School systems seeking to stand alone were required to file Alternative Plans and were required to show that they could sustain educational programming. Every district, regardless of size, was required to demonstrate savings and that they would not affect classroom instruction.

A number of school districts were required to file their Alternative Plans multiple times in order to provide additional information and to satisfy the Commissioner of Education that they had plans in place to ensure that educational programming could be sustained without reorganizing with another district.

These districts range significantly in enrollment and geographic make-up, reflecting the flexibility built into the law.

The most efficient size for school systems was derived using data from Maine school systems that showed that 2,500 to 3,500 students is the ideal size for efficiency and effectiveness. The Legislature recognized that not all districts could reasonably meet that minimum and set a default minimum of 2,500 with an absolute minimum of 1,000 to 1,200, depending on certain factors. There was considerable debate and give-and-take over three legislative sessions before arriving at these minimums. The final result was one of considerable flexibility – not a one-size-fits-all solution, as claimed by some.

A handful of districts meeting additional conditions were allowed to stand alone as “doughnut holes”, including three with fewer than 1,000 students.

## Moving Ahead

The Department's work now is primarily to support the 33 reorganized units, and to work with the stand-alone systems on additional collaboration and financial strategies aimed at preserving and expanding educational programming. Together, these school systems represent 89 percent of the students in public K-12 systems in the state.

The Department continues to support those non-conforming units that want to move ahead with a new reorganization plan. The Department is working with several school units who are in various stages of new reorganization efforts, pending commissioner and voter approval.

### Plans approved at referendum (July 1, 2011 operational date)

- MSAD 63 (Holden) /Airline CSD (AOS)
- Georgetown and AOS 98 (Boothbay/Boothbay Harbor) (AOS)

### Plans pending referendum - January 2011 (July 1, 2011 operational date)

- MSAD 31 (Howland)/MSAD 41 (Milo) (AOS)

### Plans submitted, awaiting revisions and Commissioner approval – Jan, 2011 referendum

- MSAD 36 (Livermore Falls)/Jay School Department (RSU)
- MSAD 70 (Hodgdon)/MSAD 14 (East Grand)/Bancroft/Orient (AOS)
- MSAD 25 (Staceyville)/CSD 9 (Southern Aroostook CSD)/Moro Plantation/Hersey (RSU)
- RSU 78 (Rangeley)/Rangeley Plantation (RSU)

### Notices of Intent submitted, pending plan submission – Jan, 2011 referendum

- Orrington/Dedham (AOS)
- MSAD 58 (Kingfield)/MSAD 74 (Anson) (AOS)

### Units that have recently invited the Department to meet with them

- Millinocket
- Hermon
- MSAD 4/MSAD 41/MSAD 68
- MSAD 59/MSAD 13
- St. John Valley (northern Aroostook County)

The evidence is clear and mounting that the reorganization law is meeting each of the objectives set out in reorganization law (Title 20-A, Section 1451):

- Equitable educational opportunities for all students;
- Rigorous academic programs that prepare students for post-secondary education and careers;
- Uniform delivery of academic programs;
- Greater uniformity of tax rates;
- Efficient use of limited resources to achieve long-term sustainability;
- Effective use of public funds;
- Preservation of school choice; and
- Maximization of the delivery of services.

As a result of the reorganization law, Maine is better prepared to meet the current economic and educational reform challenges facing our state and the country. Because of the local planning required under the law, districts are better able to diversify and expand their educational programs, ensuring **all** of their students have equal opportunities for success. Our goal is to give every student in the state those same opportunities.