

Special Education Initiatives in the Maine FY 2018 & FY 2019 Biennium Budget Bill

APPROVED JULY 4, 2017 BY GOVERNOR	PUBLIC LAW CHAPTER 284
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STATE OF MAINE

**IN THE YEAR OF OUR LORD
TWO THOUSAND AND SEVENTEEN**

H.P. 281 – L.D. 390

**An Act Making Unified Appropriations and Allocations for the Expenditures of State Government,
General Fund and Other Funds and Changing Certain Provisions of the Law Necessary to the
Proper Operations of State Government for the Fiscal Years Ending June 30, 2018 and June 30,
2019**

Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the 90-day period may not terminate until after the beginning of the next fiscal year; and

Whereas, certain obligations and expenses incident to the operation of state departments and institutions will become due and payable immediately; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

Be it enacted by the People of the State of Maine as follows:

[...]

PART C

Sec. C-1. 8 MRSA §1036, sub-§2-A, ¶A, as enacted by IB 2009, c. 2, §45, is amended to read:

A. Twenty-five percent of the net slot machine income must be forwarded directly by the board to the Treasurer of State, who shall credit the money to the Department of Education, to be used ~~to supplement and not to supplant funding~~ for essential programs and services for kindergarten to grade 12 under Title 20-A, chapter 606-B;

Sec. C-2. 8 MRSA §1036, sub-§2-B, ¶A, as enacted by IB 2009, c. 2, §46, is amended to read:

A. Ten percent of the net table game income must be forwarded directly by the board to the Treasurer of State, who shall credit the money to the Department of Education, to be used ~~to supplement and not to supplant funding~~ for essential

programs and services for kindergarten to grade 12 under Title 20-A, chapter 606-B;

[...]

Sec. C-4. 20-A MRSA §1485, sub-§1-A is enacted to read:

1-A. Instructional expenditures transition: annual targets. Each school administrative unit shall meet the annual targets for the direct instruction percentage share of total General Fund expenditures as follows:

- A. For fiscal year 2018-19, the target is 61%;
- B. For fiscal year 2019-20, the target is 63%;
- C. For fiscal year 2020-21, the target is 65%;
- D. For fiscal year 2021-22, the target is 67%; and
- E. For fiscal year 2022-23 and succeeding years, the target is 70%.

For the purposes of this subsection, "direct instruction" means those expenditures in subsection 1, paragraph A for regular instruction, special education instruction, career and technical education instruction and other instruction including summer school instruction and extracurricular instruction as defined in the State's accounting handbook for local school systems.

Sec. C-5. 20-A MRSA §4271, sub-§3, as enacted by PL 2013, c. 581, §3, is amended to read:

3. Grant funds. Beginning with the 2015-2016 school year and for each subsequent school year, the commissioner may provide start-up funding to qualified school administrative units to operate public preschool programs for children 4 years of age. Grants provided for allowable costs for approved public preschool programs must be provided from state, federal or private funds appropriated, allocated or authorized by the Legislature for that purpose ~~and must include \$4,000,000 annually in revenues distributed from general purpose aid for local schools that the department receives from casino slot machines or casino table games pursuant to section 15671, subsection 5-A.~~ Any balance of funds appropriated, allocated or authorized by the Legislature remaining at the end of a fiscal year ~~do not lapse and are carried forward to the next fiscal year to carry out the purposes of this subchapter.~~

Sec. C-6. 20-A MRSA §4271, sub-§3-A is enacted to read:

3-A. Phase-in procedures for new or newly expanded public preschool programs. Beginning July 1, 2018, for new or newly expanded public preschool programs, the commissioner shall make a preliminary calculation of total allocation pursuant to section 15674 based on the following:

- A. Estimated public preschool program student counts not to exceed the school unit's most recent kindergarten enrollment;
- B. Estimated rates and weights based on statewide averages; and
- C. The preliminary calculation of total allocation, which must be replaced with actual student data once students have been enrolled for the new school year. The new or newly

expanded public preschool programs shall enroll new students no later than August 1st in a student information system maintained by the department.

[...]

Sec. C-16. 20-A MRSA §15671, sub-§5-A, as amended by PL 2015, c. 267, Pt. C, §5, is further amended to read:

5-A. Funds from casino slot machines or table games. Revenues received by the department from casino slot machines or casino table games pursuant to Title 8, section 1036, subsection 2-A, paragraph A or Title 8, section 1036, subsection 2-B, paragraph A must be distributed ~~until the end of fiscal year 2014-15~~ as general purpose aid for local schools, and each school administrative unit shall make its own determination as to how to allocate these resources. ~~Beginning in fiscal year 2017-18, \$4,000,000 in revenues must be distributed by the department to provide start up funds for approved public preschool programs for children 4 years of age in accordance with chapter 203, subchapter 3.~~ Neither the Governor nor the Legislature may divert the revenues payable to the department to any other fund or for any other use. Any proposal to enact or amend a law to allow distribution of the revenues paid to the department from casino slot machines or casino table games for another purpose must be submitted to the Legislative Council and to the joint standing committee of the Legislature having jurisdiction over education matters at least 30 days prior to any vote or public hearing on the proposal.

[...]

Sec. C-26. 20-A MRSA §15672, sub-§14-A is enacted to read:

14-A. Kindergarten. "Kindergarten" means kindergarten or a prekindergarten early education program for students who are at least 4 years of age on October 15th of the school year.

[...]

Sec. C-37. 20-A MRSA §15681-A, sub-§2, as enacted by PL 2005, c. 2, Pt. D, §44 and affected by §§72 and 74 and c. 12, Pt. WW, §18, is amended to read:

2. Special education costs. ~~Beginning in fiscal year 2005-06, a~~ A school administrative unit receives an additional weight of ~~at least 1.20 but not greater than 1.40~~ 1.50 for each special education student identified on the annual December 1st child count as required by the federal Individuals with Disabilities Education Act for the most recent year, up to a maximum of 15% of the school administrative unit's resident pupils as determined under section 15674, subsection 1, paragraph C, subparagraph (1). For those school administrative units in which the annual December 1st child count for the most recent year is less than 15% of the school administrative unit's resident pupils as determined under section 15674, subsection 1, paragraph C, subparagraph (1), the special education child count percentage may not increase more than 0.5% in any given year, up to a maximum of 1.0% in any given 3-year period. For each special education student above the 15% maximum, the unit receives an additional weight of .38. In addition, each school administrative unit must receive additional ~~funds~~ allocations:

A. For lower staff-student ratios and expenditures for related services for school administrative units with fewer than 20 special education students identified on the annual December 1st child count as required by the federal Individuals with Disabilities Education Act for the most recent year;

B. For high-cost in-district special education placements. Additional funds must be

allocated for each student estimated to cost 3 times the statewide special education EPS per-pupil rate. The additional funds for each student must equal the amount by which that student's estimated costs exceed 3 times the statewide special education EPS per-pupil rate;

~~C. For high cost out of district special education placements. Additional funds must be allocated for each student estimated to cost 4 times the statewide special education EPS per pupil rate. The additional funds for each student must equal the amount by which that student's estimated costs exceed 4 times the statewide special education EPS per pupil rate; and~~

~~D. To Beginning July 1, 2018, to ensure the school administrative unit meets the federal maintenance of effort requirement for receiving federal Individuals with Disabilities Education Act funds. in accordance with recommendations of any legislative task force established in the First Regular Session of the 128th Legislature to identify special education cost drivers and innovative approaches to services; and~~

E. A separate allocation must be determined for high-cost out-of-district special education placements in accordance with this paragraph.

(1) For private school placements, additional funds must be allocated for each student estimated to cost 4 times the statewide special education EPS per-pupil rate. The additional funds for each student must equal the amount by which that student's estimated costs exceed 4 times the statewide special education EPS per-pupil rate.

(2) For public school placements, additional funds must be allocated for each student estimated to cost 3 times the statewide special education EPS per-pupil rate. The additional funds for each student must equal the amount by which that student's estimated costs exceed 3 times the statewide special education EPS per-pupil rate.

(3) For public regional special education program placements, additional funds must be allocated for each student estimated to cost 2 times the statewide special education EPS per-pupil rate. The additional funds for each student must equal the amount by which that student's estimated costs exceed 2 times the statewide special education EPS per-pupil rate. Resident students for the fiscal agent of the regional special education program are considered out-of-district placements for purposes of this determination. The commissioner may expend and disburse funds pursuant to section 15689, subsection 9 for direct contractual agreements to provide legal services, facilitation services and other services to assist a school administrative unit with planning and implementing a regional special education program.

The commissioner shall develop an appeals procedure for calculated special education costs for school administrative units;

Sec. C-38. 20-A MRSA §15681-A, sub-§2-A, as enacted by PL 2007, c. 240, Pt. XXXX, §27, is repealed.

[...]

Sec. C-41. 20-A MRSA §15683, sub-§1, ¶E, as amended by PL 2005, c. 2, Pt. D, §47 and affected by §§72 and 74 and c. 12, Pt. WW, §18, is further amended to read:

E. If the school administrative unit is eligible for targeted kindergarten to grade 2 funds pursuant to section 15681, subsection 1, the product of the EPS per-pupil rate

multiplied by the additional weight for kindergarten to grade 2 calculated pursuant to section 15675, subsection 3; ~~and~~

[...]

Sec. C-44. 20-A MRSA §15686-A, as amended by PL 2015, c. 389, Pt. C, §6 and c. 489, §8, is further amended to read:

§15686-A. Review of essential programs and services components

[...]

2. Components to be reviewed beginning in fiscal year 2018-19. Beginning in fiscal year ~~2007-08-2018-19~~, and at least every 3 years thereafter, the commissioner, using information provided by a statewide education policy research institute, shall review the essential programs and services career and technical education, **special education**, specialized student populations, system administration and operations and maintenance components under this chapter and shall submit to the joint standing committee of the Legislature having jurisdiction over education matters any recommended changes for legislative action.

[...]

The commissioner may adjust the schedule by replacing one component in one year with another component in another year if information on a specific component is needed in an earlier time frame. This replacement may not result in a component's being reviewed beyond a 4-year period. The commissioner may include a review of one or more of the components from sections 15688-A, 15689 and 15689-A to the schedule in addition to the components listed in this section.

[...]

Sec. C-50. 20-A MRSA §15689, sub-§1, ¶B, as amended by PL 2015, c. 389, Pt. C, §7, is further amended to read:

A. The school administrative unit's **special education costs** as calculated pursuant to section 15681-A, subsection 2 multiplied by the following transition percentages:

- (1) In fiscal year 2005-06, 84%;
- (2) In fiscal year 2006-07, 84%;
- (3) In fiscal year 2007-08, 84%;
- (4) In fiscal year 2008-09, 45%;
- (5) In fiscal year 2009-10, 40% including funds provided under Title XIV of the State Fiscal Stabilization Fund of the American Recovery and Reinvestment Act of 2009;
- (6) In fiscal year 2010-11, 35% including funds provided under Title XIV of the State Fiscal Stabilization Fund of the American Recovery and Reinvestment Act of 2009;
- (7) In fiscal year 2011-12, 30%;
- (8) In fiscal year 2012-13, 30%;
- (9) In fiscal year 2013-14, 35%;
- (10) In fiscal year 2014-15, 30%;
- (11) In fiscal year 2015-16, 30%;
- (12) In fiscal year 2016-17, 30%;

- (13) In fiscal year 2017-18, ~~35%~~ 33%;
- (14) In fiscal year 2018-19, 40%;
- (15) In fiscal year 2019-20, 45%; and
- (16) In fiscal year 2020-21 and succeeding years, 50%.

[...]

Sec. C-53. 20-A MRSA §15689, sub-§§14 and 15 are enacted to read:

14. MaineCare seed for school administrative units. The commissioner may deduct from a school administrative unit's state subsidy and pay on behalf of the school administrative unit allowable school-based costs that represent the school administrative unit's portion of MaineCare payments. A transfer of payment by the department to the Department of Health and Human Services must be made pursuant to a schedule agreed upon by the Department of Health and Human Services and the department and in a manner that remains in compliance with federal intergovernmental transfer requirements. No later than 90 days after the incurrence of allowable school-based payments to schools, the Department of Health and Human Services shall provide the detailed payment information to the department. The department shall make this information available and apply the adjustment to the appropriate school administrative units within 30 days of receipt of the detailed payment information from the Department of Health and Human Services.

15. Special education budgetary hardship adjustment. Beginning in fiscal year 2018-19, the following provisions apply to adjustments for special education budgetary hardships.

A. If a school administrative unit determined eligible pursuant to paragraph B petitions the commissioner and demonstrates that the unexpected education costs of placement of a student in a special education program will cause a budgetary hardship, the commissioner may provide to the unit an amount not to exceed the allowable costs of the placement less 3 times the statewide special education EPS per-pupil rate for in-district placements or less 4 times the statewide special education EPS per-pupil rate for out-of-district placements. The allowable costs are those special education costs described in section 15672, subsection 30-A, paragraphs A and B.

B. The commissioner shall determine that a school administrative unit is eligible for an adjustment under paragraph A if:

(1) The student's placement is a result of an appeal approved by the commissioner pursuant to section 5205, subsection 6 or the student became the fiscal responsibility of the school administrative unit after the passage of that unit's budget for the current fiscal year; and

(2) The school administrative unit's unexpected allowable costs result in a 5% or more increase in the percentage of the unit's special education budget category to the unit's total budget excluding the debt service budget category.

C. The funds for adjustments under paragraph A are limited to the amount appropriated by the Legislature for that purpose, and any unexpended balance from another program's appropriated amounts under this chapter may be applied by the commissioner toward the adjustments.

D. A school administrative unit may expend the funds from the adjustment under paragraph A without seeking approval by the unit's legislative body.

Sec. C-54. 20-A MRSA §15689-A, as amended by PL 2015, c. 63, §1 and c. 267, Pt.

C, §§13 and 14 and Pt. GGG, §2 and corrected by RR 2015, c. 1, §15, is further amended to read:

§15689-A. Authorization of payment of targeted education funds

1. Payment of state agency client costs. State agency client costs are payable pursuant to this subsection. As used in this subsection, "state agency client" has the same meaning as defined in section 1, subsection 34-A.

A. The commissioner shall **approve special education costs** and supportive services, including transportation, for all state agency clients placed in residential placements by an authorized agent of a state agency.

B. Special education costs authorized by this subsection for state agency clients must be paid by the department in the allocation year at 100% of actual costs.

C. The commissioner shall pay only approved special education costs and supportive services, including transportation, authorized by this subsection for state agency clients and may not allocate for those special education costs and supportive services, including transportation, incurred by the school administrative unit for state agency clients in the base years starting July 1, 1985, and every base year thereafter.

D. Transportation costs for state agency clients, when provided in accordance with rules established by the commissioner under section 7204, must be paid by the department in the allocation year at 100% of actual costs.

E. The commissioner may pay tuition to school administrative units or private schools for the education of institutional residents within the limits of the allocation made under this section.

F. The commissioner may deduct from these funds and pay on behalf of the state agency clients allowable school-based costs that represent the State's portion of MaineCare payments. A transfer of payment by the department to the Department of Health and Human Services must be made pursuant to a schedule agreed upon by the Department of Health and Human Services and the department and in a manner that remains in compliance with federal intergovernmental transfer requirements.

~~**2. Education of institutional residents.** The commissioner may pay tuition to school administrative units or private schools for institutional residents within the limits of the allocation made under this section.~~

3. Essential programs and services components contract. The commissioner may contract for the updating of the essential programs and services component with a statewide education research institute.

~~**4. Learning results implementation, assessment and accountability.** The commissioner may expend and disburse funds limited to the amount appropriated by the Legislature to carry out the purposes of Public Law 1995, chapter 649, sections 5 and 8.~~

6. Education research contract. The commissioner may contract for the compilation and analysis of education data with a statewide education research institute.

7. Disbursement limitations. The funds disbursed in accordance with this section are limited to the amounts appropriated by the Legislature for these purposes.

~~8. Laptop program.~~ The commissioner may pay costs attributed to the contracted support services and annual payments for a program that provides laptop computers to middle school students.

9. **Emergency bus loan.** The commissioner may pay annual payments for an emergency bus loan.

10. **Data management and support services for essential programs and services.** The commissioner may pay costs attributed to system maintenance and staff support consisting of 11 positions that provide professional and administrative support to general purpose aid for local schools necessary to implement the requirements of the Essential Programs and Services Funding Act.

11. **Courses for credit at eligible postsecondary institutions.** The commissioner may pay costs for secondary students to take postsecondary courses at eligible institutions. For the purposes of this subsection, "secondary student" includes a student in a home instruction program pursuant to section 5001-A, subsection 3, paragraph A, subparagraph (4) but does not include a student that is not a resident of the State pursuant to section 5205, subsection 10.

12. **National board certification salary supplement.** The commissioner may pay annual salary supplement payments to school administrative units or a publicly supported secondary school for payment to school teachers who have attained certification from the National Board for Professional Teaching Standards or its successor organization pursuant to section 13013-A.

12-A. **Learning through technology.** The commissioner may pay costs attributed to professional and administrative staff support consisting of ~~one Education Team and Policy Director position, 2 Education Specialist III positions, one Planning and Research Associate I position, one Director of Special Projects position and 2 Education Specialist II positions,~~ professional development and training in the use of open educational resources and open-source textbooks and system maintenance for a program that promotes learning through technology. A transfer of All Other funds from the General Purpose Aid for Local Schools account to the All Other line category in the Learning Through Technology General Fund nonlapsing account sufficient to support the All Other costs and the agreement that provides one-to-one wireless computers for 7th grade, 8th grade and high school students and educators may occur annually by financial order upon recommendation of the State Budget Officer and approval of the Governor.

13. **Jobs for Maine's Graduates.** The commissioner may expend and disburse funds for the Jobs for Maine's Graduates in accordance with the provisions of chapter 226.

14. **Maine School of Science and Mathematics.** The commissioner may expend and disburse funds for the Maine School of Science and Mathematics in accordance with the provisions of chapter 312.

15. **Maine Educational Center for the Deaf and Hard of Hearing and the Governor Baxter School for the Deaf.** The commissioner may expend and disburse funds for the Maine Educational Center for the Deaf and Hard of Hearing and the Governor Baxter School for the Deaf in accordance with provisions of chapter 304.

16. **Transportation administration.** The commissioner may pay costs attributed to ~~one~~

~~Education Specialist III position~~ professional and administrative staff support and system maintenance necessary to implement the transportation requirements of this chapter and chapter 215.

17. Special education and coordination of services for juvenile offenders. The commissioner may pay certain costs attributed to staff support and associated operating costs for providing special education and providing coordination of education, treatment and other services to juvenile offenders at youth development centers in ~~Charleston and~~ South Portland. A transfer of All Other funds from the General Purpose Aid for Local Schools account to the Personal Services and All Other line categories in the Long Creek Youth Development Center General Fund account within the Department of Corrections, sufficient to support 2 Teacher positions, ~~and to the Mountain View Youth Development Center General Fund account within the Department of Corrections, sufficient to support one Teacher~~ one Education Specialist II position and one Office Associate II position, may occur annually by financial order upon recommendation of the State Budget Officer and approval of the Governor.

~~**18. Coordination of services for juvenile offenders.** The commissioner may pay certain costs attributed to staff support and associated operating costs for providing coordination of education, treatment and other services for juvenile offenders at youth development centers in Charleston and South Portland. A transfer of All Other funds from the General Purpose Aid for Local Schools account to the Personal Services and All Other line categories in the Long Creek Youth Development Center, General Fund account within the Department of Corrections sufficient to support one Education Specialist II position and one Office Associate II position and to the Mountain View Youth Development Center, General Fund account within the Department of Corrections sufficient to support one Education Specialist II position and one Office Associate II position may occur annually by financial order upon recommendation of the State Budget Officer and approval of the Governor.~~

19. Miscellaneous costs limitations. The amounts of the miscellaneous costs pursuant to this section are limited to the amounts appropriated by the Legislature for these costs.

20. Center of Excellence for At-risk Students. The commissioner may expend and disburse funds for the Center of Excellence for At-risk Students in accordance with the provisions of chapter 227.

This subsection is repealed July 1, 2019.

21. Fund for the Efficient Delivery of Educational Services. The commissioner may expend and disburse funds from the Fund for the Efficient Delivery of Educational Services in accordance with the provisions of chapter 114-A.

~~**22. MaineCare seed for school administrative units.** The commissioner may deduct from a school administrative unit's state subsidy and pay on behalf of the school administrative unit allowable school based costs that represent the school administrative unit's portion of MaineCare payments. A transfer of payment by the department to the Department of Health and Human Services must be made pursuant to a schedule agreed upon by the Department of Health and Human Services and the department and in a manner that remains in compliance with federal intergovernmental transfer requirements. No later than 90 days after the incurrence of allowable school based payments to schools, the~~

~~Department of Health and Human Services shall provide the detailed payment information to the department. The department shall make this information available and apply the adjustment to the appropriate school administrative units within 30 days of receipt of the detailed payment information from the Department of Health and Human Services.~~

23. Comprehensive early college programs. The commissioner may expend and disburse funds to support early college programs that:

- A. Provide secondary students with the opportunity to graduate from high school in 4 years with a high school diploma and at least 30 regionally accredited transferable postsecondary credits allowing for completion of an associate degree within one additional year of postsecondary schooling;
- B. Involve a high school, a career and technical education center or region and one or more institutions of higher education;
- C. Organize students into cohort groups and provide them with extensive additional guidance and support throughout the program with the goals of raising aspirations, increasing employability and encouraging postsecondary degree attainment; and
- D. Maintain a focus on serving students who might not otherwise pursue a postsecondary education.

~~**24. Postsecondary education attainment in Androscoggin County.** The commissioner shall expend and disburse \$75,000 in fiscal year 2015-16 and \$75,000 in fiscal year 2016-17 to support postsecondary education attainment in Androscoggin County.~~

25. Community schools. The commissioner may expend and disburse funds for the establishment of community schools in accordance with the provisions of chapter 333.

This subsection is repealed July 1, 2021.

26. Maine School for Marine Science, Technology, Transportation and Engineering. The commissioner may expend and disburse funds for the Maine School for Marine Science, Technology, Transportation and Engineering in accordance with the provisions of chapter 312-A.

Sec. C-55. 20-A MRSA §15689-B, sub-§2-A, as enacted by PL 2015, c. 54, §7, is amended to read:

2-A. Notification of state contribution to public charter schools. The commissioner shall annually, prior to February 1st, notify the governing board of each public charter school of the estimated amount of state contribution to be allocated to the public charter school pursuant to section 15683-B and post these estimated contributions on the department's publicly accessible website. The posted state contributions must be itemized for each public charter school within a single table and include the complete totals allocated for each public charter school including the amounts directed to the Maine Charter School Commission. These tabulations must be maintained as yearly records and updated whenever the department recalculates any allocations.

[...]

Sec. C-60. Total cost of funding public education from kindergarten to grade 12. The total cost of funding public education from kindergarten to grade 12 for fiscal year 2017-18 is as follows:

2017-18

	TOTAL
Total Operating Allocation	
Total operating allocation pursuant to the Maine Revised Statutes, Title 20-A, section 15683 before transition adjustment pursuant to Title 20-A, section 15671, subsection 7	\$1,410,957,308
Total operating allocation pursuant to Title 20-A, section 15683 after transition adjustment pursuant to Title 20-A, section 15671, subsection 7	\$1,392,639,397
Total adjustments to state subsidy pursuant to Title 20-A, section 15689 included in subsidizable costs and total other subsidizable costs pursuant to Title 20-A, section 15681-A	\$520,962,183
Total Operating Allocation and Subsidizable Costs	
Total operating allocation pursuant to Title 20-A, section 15683 and total other subsidizable costs pursuant to Title 20-A, section 15681-A	\$1,913,601,580
Total Debt Service Allocation	
Total debt service allocation pursuant to Title 20-A, section 15683-A	\$87,568,693
Total Adjustments and Targeted Education Funds	
Adjustments pursuant to Title 20-A, section 15689	
Audit adjustments pursuant to Title 20-A, section 15689, subsection 4	\$250,000
Educating students in long-term drug treatment center adjustments pursuant to Title 20-A, section 15689, subsection 5	\$374,432
Regionalization, consolidation and efficiency assistance adjustments pursuant to Title 20-A, section 15689, subsection 9	\$0
Bus refurbishing program adjustments pursuant to Title 20-A, section 15689, subsection 13	\$180,123
MaineCare seed payments adjustments pursuant to Title 20-A, section 15689, subsection 14	\$642,466
Total adjustments to the state share of the total allocation pursuant to Title 20-A, section 15689	\$1,447,021
Special education costs for state agency clients and state wards pursuant to Title 20-A, section 15689-A, subsection 1	\$26,440,054
Essential programs and services components contract pursuant to Title 20-A, section 15689-A, subsection 3	\$300,000

Education research institute contract pursuant to Title 20-A, section 15689-A, subsection 6	\$250,000
Learning through technology program pursuant to Title 20-A, section 15689-A, subsections 8 and 12-A	\$14,417,986
Emergency bus loan pursuant to Title 20-A, section 15689-A, subsection 9	\$0
Data management and support services for essential programs and services pursuant to Title 20-A, section 15689-A, subsection 10	\$5,950,522
Postsecondary course payments pursuant to Title 20-A, section 15689-A, subsection 11	\$2,000,000
National board certification salary supplement pursuant to Title 20-A, section 15689-A, subsection 12	\$307,551
Jobs for Maine's Graduates including college pursuant to Title 20-A, section 15689-A, subsection 13	\$3,545,379
Maine School of Science and Mathematics pursuant to Title 20-A, section 15689-A, subsection 14	\$3,615,347
Maine Educational Center for the Deaf and Hard of Hearing pursuant to Title 20-A, section 15689-A, subsection 15	\$7,769,215
Transportation administration pursuant to Title 20-A, section 15689-A, subsection 16	\$139,235
Special education for juvenile offenders (Department of Corrections positions, prior to fiscal year 2017-18) pursuant to Title 20-A, section 15689-A, subsection 17	\$375,447
Center of Excellence for At-risk Students pursuant to Title 20-A, section 15689-A, subsection 20	\$200,000
Fund for the Efficient Delivery of Educational Services pursuant to Title 20-A, section 15689-A, subsection 21	\$0
Comprehensive early college programs funding (bridge year program) pursuant to Title 20-A, section 15689-A, subsection 23	\$1,000,000
Community school pilots (3 pilot projects for 5 years) pursuant to Title 20-A, section 15689-A, subsection 25	\$50,000
Maine School for Marine Science, Technology, Transportation and Engineering pursuant to Title 20-A, section 15689-A, subsection 26	\$0
Total targeted education funds pursuant to Title 20-A, section 15689-A	\$66,360,736
Enhancing student performance and opportunity pursuant to Title 20-A, section 15688-A	
Career and technical education costs pursuant to Title 20-A, section 15688-A, subsection 1	\$0
College transitions programs through adult education college readiness programs pursuant to Title 20-A, section 15688-A, subsection 2	\$450,000
School improvement and support pursuant to Title 20-A, section 15688-A, subsection 5	\$0

National industry standards for career and technical education pursuant to Title 20-A, section 15688-A, subsection 6	\$1,000,000
New or expanded public preschool pursuant to Title 20-A, section 15688-A, subsection 4	\$0
Total enhancing student performance and opportunity pursuant to Title 20-A, section 15688-A	\$1,450,000

Total Cost of Funding Public Education from Kindergarten to Grade 12

Total cost of funding public education from kindergarten to grade 12 for fiscal year pursuant to Title 20-A, chapter 606-B, not including normal retirement costs	\$2,070,428,030
Total normal cost of teacher retirement	\$45,274,070
Total cost of funding public education from kindergarten to grade 12 for fiscal year pursuant to Title 20-A, chapter 606-B, including normal retirement costs	\$2,115,702,100
Adjustment pursuant to Title 20-A, section 15683, subsection 2	\$42,328,719
Total cost of funding public education from kindergarten to grade 12 for fiscal year pursuant to Title 20-A, chapter 606-B, including normal retirement costs and adjustment pursuant to Title 20-A, section 15683, subsection 2	\$2,158,030,819
Total cost of state contribution to the unfunded actuarial liabilities of the Maine Public Employees Retirement System that are attributable to teachers, retired teachers' health insurance and retired teachers' life insurance for fiscal year 2017-18 pursuant to Title 5, chapters 421 and 423, excluding the normal cost of teacher retirement	\$172,880,735
Total cost of funding public education from kindergarten to grade 12 plus state contributions to the unfunded actuarial liabilities of the Maine Public Employees Retirement System that are attributable to teachers, retired teachers' health insurance and retired teachers' life insurance for fiscal year 2017-18 pursuant to Title 5, chapters 421 and 423	\$2,330,911,554

Sec. C-61. Local and state contributions to total cost of funding public education from kindergarten to grade 12. The local contribution and the state contribution appropriation provided for general purpose aid for local schools for the fiscal year beginning July 1, 2017 and ending June 30, 2018 is calculated as follows:

	2017-18 LOCAL	2017-18 STATE
Local and State Contributions to the Total Cost of Funding Public Education from Kindergarten to Grade 12		
Local and state contributions to the total cost of funding public education from kindergarten to grade 12 pursuant to the Maine Revised Statutes, Title 20-A, section 15683, subject to statewide distributions required by law	\$1,076,143,563	\$1,039,558,537
Total cost of state contribution to the unfunded actuarial liabilities of the Maine Public Employees Retirement System that are attributable to teachers, retired teachers' health insurance and retired teachers' life insurance for fiscal years 2017-18 pursuant to Title 5, chapters 421 and 423, excluding the normal cost of teacher retirement		\$172,880,735
State contribution to the total cost of funding public education from kindergarten to grade 12 plus state contribution to the unfunded actuarial liabilities of the Maine Public Employees Retirement System that are attributable to teachers, retired teachers' health insurance and retired teachers' life insurance pursuant to Title 5, chapters 421 and 423		\$1,212,439,272

Sec. C-62. Authorization of payments. If the State's continued obligation for any individual component contained in those sections of this Part that set the total cost of funding public education from kindergarten to grade 12 and the local and state contributions for that purpose exceeds the level of funding provided for that component, any unexpended balances occurring in other programs may be applied to avoid proration of payments for any individual component. Any unexpended balances from this Part may not lapse but must be carried forward for the same purpose.

Sec. C-63. Limit of State's obligation. Those sections of this Part that set the total cost of funding public education from kindergarten to grade 12 and the local and state contributions for that purpose may not be construed to require the State to provide payments that exceed the appropriation of funds for general purpose aid for local schools for the fiscal year beginning July 1, 2017 and ending June 30, 2018.

Sec. C-64. Adverse impact adjustment in fiscal year 2017-18. If a school

administrative unit's state share of the total allocation in fiscal year 2017-18 is less than the unit's state share of the total allocation under the Governor's recommended funding level published on the Department of Education's publicly accessible website on February 16, 2017, the Commissioner of Education shall determine whether the school administrative unit is eligible for, and the commissioner may grant, an adjustment under this section equal to the difference between the school administrative unit's state share of the total allocation pursuant to the Maine Revised Statutes, Title 20-A, section 15688, subsection 3-A, paragraph D and the school administrative unit's state share of the total allocation under the Governor's recommended funding level published on the Department of Education's publicly accessible website on February 16, 2017.

Sec. C-65. Reviews and recommendations by Commissioner of Education.

The Commissioner of Education shall undertake reviews of the following issues and shall develop recommendations in accordance with this section.

1. The commissioner shall review models for state support for direct instruction and equitable teacher compensation. The commissioner shall build on the recommendations of the commission to reform public education funding and improve student performance in the State that was convened pursuant to Public Law 2015, chapter 389 and shall use information provided by a statewide education policy research institute to formulate recommendations. Based on this review, the commissioner shall develop a plan for improved compensation and retention of effective teachers across the State. The plan must provide targeted state support for direct instruction and student learning, include a proposal for statewide or regional teacher contracts and implement a system to measure effectiveness, ensure that school administrative units are held accountable for the intended use of the state funds and ensure that direct instructional programs and services are available to all students in all schools on an equitable basis. The plan must be designed for implementation no later than the 2019-2020 school year, and the plan, including any necessary implementing legislation, must be submitted by January 15, 2019 to the joint standing committee of the Legislature having jurisdiction over education matters.

2. The commissioner shall review other components of the school funding model. The commissioner, using information provided by a statewide education policy research institute, shall review the models for funding direct instruction, support for student learning, gifted and talented education and the miscellaneous targeted allocations under the Maine Revised Statutes, Title 20-A, section 15689-A for Jobs for Maine's Graduates, the Maine School of Science and Mathematics, the Maine Educational Center for the Deaf and Hard of Hearing and the Governor Baxter School for the Deaf, the Center of Excellence for At-risk Students, the Maine School for Marine Science, Technology and Engineering, community schools, courses for credit at eligible postsecondary institutions and comprehensive early college programs and make recommendations for providing allocations for these programs within the adjustments and operating allocations of the essential programs and services funding model to ensure equity of opportunity. The commissioner shall submit the recommendations, including any proposed implementing legislation, by January 15, 2019 to the joint standing committee of the Legislature having jurisdiction over education matters.

3. The commissioner shall conduct a review of system administration allocations. For fiscal year 2020-21, using information provided by a statewide education policy research institute, the commissioner shall also review the per-pupil allocation for system

administration for adequacy and equity in comparison to actual system administration expenditures of school administrative units with enrollments of over 2,500 students and shall submit to the joint standing committee of the Legislature having jurisdiction over education matters prior to January 15, 2022 any recommended changes to laws relating to the allocation.

Sec. C-66. Effective date. That section of this Part that amends the Maine Revised Statutes, Title 20-A, section 15681-A, subsection 2 takes effect July 1, 2018.

[...]

PART SSS

Sec. SSS-1. 20-A MRSA §7209, sub-§4, as amended by PL 2013, c. 338, §1, is further amended to read:

4. Director of early childhood special education. The commissioner or the commissioner's designee shall appoint and supervise a director of early childhood special education. The director has the following powers and duties:

A. To administer the state intermediate educational unit established under subsection 3 and programs established pursuant to subsection 3-A. The director shall develop operating policies and establish organizational and operational procedures that include supervision, monitoring, data and accountability structures;

A-1. To oversee the operation of the regional sites;

B. To develop statewide policies and procedures for carrying out federal and state laws and rules relating to child find, early intervention services and the provision of a free, appropriate public education to children from birth to under 6 years of age;

C. To provide training in federal and state laws, regulations, rules and policies relating to child find as provided in 20 United States Code, Section 1412 (a) (3), early intervention services and the provision of a free, appropriate public education to children from birth to under 6 years of age and to conduct regular file reviews to determine compliance with federal and state laws, regulations, rules and policies and conduct training and provide technical assistance where deficiencies are found;

E. To report annually by February 15th to the joint standing committee of the Legislature having jurisdiction over education and cultural affairs, the joint standing committee of the Legislature having jurisdiction over health and human services matters and the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs on the performance of the Child Development Services System. This report must be posted on the publicly accessible website of the department. The report must include:

(1) The following financial information for the Child Development Services System in total and separately for the services provided to eligible children from birth to under 3 years of age and at least 3 years of age and under 6 years of age when the information can be separated for these age categories:

(a) Actual expenditures compared to the budget for each of the last 3 fiscal years for each regional site, the central office and the total Child Development Services System by function, including case management, direct services and administration;

- (b) Actual expenditures compared to the budget for each of the last 3 fiscal years for each regional site, the central office and the total Child Development Services System by expense type, including salaries, benefits, contracted services and transportation;
 - (c) Actual revenues received compared to the budget for each of the last 3 fiscal years by revenue source; and
 - (d) The total dollar value of MaineCare claims paid through the Department of Health and Human Services for each of the last 3 fiscal years for services provided pursuant to children's individualized education programs or individualized family service plans that were billed directly to the MaineCare program by contracted service providers;
- (2) The following data for the Child Development Services System in total and separately for the services provided to eligible children from birth to under 3 years of age and at least 3 years of age and under 6 years of age, including descriptions of any notable variations in these data among regional sites and any notable year-to-year trends over the past 5 years:
- (a) The number of children referred to the Child Development Services System in the prior year by referral source, including the screening programs in Title 22, sections 1532, 8824 and 8943, and the percentage of children referred found eligible for services;
 - (b) The number of children who entered the Child Development Services System in the prior year, categorized by primary disability;
 - (c) The number of children who exited the Child Development Services System in the prior year, categorized by primary disability and the reason for exit;
 - (d) The number of children who transitioned in the prior year from early intervention services for children from birth to under 3 years of age to special education and related services for children at least 3 years of age and under 6 years of age;
 - (e) The unduplicated count of children who received direct services as of December 1st in the prior year;
 - (f) The number of children who received direct services in the prior year by regional site and in total for the Child Development Services System, categorized by primary disability;
 - (g) For each primary disability category, the number of children who received, in the prior year, each primary type of therapy or service;
 - (h) The percentage of children who received direct services in the prior year who had MaineCare coverage for all or some of the services specified in their individualized education programs or individualized family service plans and the percentage of children who received direct services in the prior year who had private insurance coverage for all or some of the services specified in their individualized education programs or individualized family service plans;
 - (i) Beginning January 1, 2015, the number of children who received direct services in the prior year who were born in the State and the number of children who received direct services in the prior year who were born in the State and who were delivered at home;

(j) Beginning January 1, 2015, the total number of children who were referred in the prior year for support outside of the Child Development Services System under subsection 3-A, paragraph G and the number of children who received direct services in the prior year who were referred for support outside of the Child Development Services System under subsection 3-A, paragraph G; and

(k) Beginning January 1, 2015, the number of children who received direct services in the prior year who received all of the services in their individualized family service plan or individualized education program and the number of children who received direct services in the prior year who received less than 90% of the services in their individualized family service plan or individualized education program;

(3) A listing of the regional sites and their locations and the following data for the Child Development Services System in total and by regional site, including descriptions of any notable variations in these statistics among regional sites and any notable year-to-year trends over the past 5 fiscal years:

(a) The total number of employees by function and the number of new employees hired in the prior fiscal year by function;

(b) The number of private providers that contracted with the Child Development Services System to provide direct services, including transportation services, and the number of contracted providers delivering each type of service in the prior fiscal year;

(c) The number of children who received direct services provided by Child Development Services System employees in the prior fiscal year and the number of children who received direct services provided by contracted private providers in the prior fiscal year;

(d) The number of preschool or day care programs operated by each regional site, the average enrollment in each program, the percentage of enrollees that are children receiving services under individualized education programs or individualized family service plans and expenses and revenues for the prior fiscal year associated with the programs in each site; and

(e) The number of children who received direct services in the prior fiscal year while placed in preschool programs operated by public school systems;

(4) Statistics and analysis of the following Child Development Services System performance measures for the prior fiscal year, including descriptions of any notable variations in these measures among regional sites and any notable year-to-year trends over the past 5 fiscal years:

(a) Measures of compliance with key federal requirements related to timeliness, quality and effectiveness of service as set out in required annual federal reporting under the federal Individuals with Disabilities Education Act;

(b) Measures of compliance with key state requirements related to timeliness, quality and effectiveness of service as set out in statute and rules;

(c) Measures of productivity for Child Development Services System employees providing case management and direct services to children;

(d) Measures of per unit costs, including the average cost of delivered

services per child by primary disability type, the average cost per unit of each type of therapy or service delivered by Child Development Services System staff and the average cost per unit of each type of therapy or service delivered by contracted providers;

(e) Beginning January 1, 2015, the average age, both in aggregate and by primary disability type, at which children who were born in the State began receiving services from the Child Development Services System and the average age, both in aggregate and by primary disability type, at which children who were born in the State and who were delivered at home began receiving services from the Child Development Services System; and

(f) Any other performance goals and measures established by the Child Development Services System to monitor effectiveness, efficiency and the cost of the Child Development Services System, which may include results of surveys of parents and guardians on the quality and effectiveness of services;

(5) Beginning January 1, 2015, a report by each regional site in the Child Development Services System demonstrating trends of Child Development Services System employee costs and the results of coordination, utilization and development of services with a broad base of community resources, including private providers and public schools, midwives, resources from other agencies and other resources serving families and children from birth to under 6 years of age, consistent with the provisions of Title 22, section 3571, subsection 3; and

(6) A description of current and emerging trends and challenges that are having an effect on or are expected to have an effect on costs, services or service delivery methods of the Child Development Services System; and

F. To provide the following data by the 20th day of each month to the Office of Fiscal and Program Review, either in a monthly report or by providing the office electronic access to the computer systems and applications by which the raw data are stored, for each regional site and the central office:

(1) Monthly actual and budgeted revenue by funding source for the prior month; and

(2) Monthly actual and budgeted expenditures by funding source and by expenditure category for the prior month.

For the purposes of this subsection, "direct services" includes evaluations; therapies; special instruction; the use of specially designed materials for instruction, screening and testing; the use of assistive technology devices; and transportation and use of physical space associated with providing other direct services.

[...]

PART VVVVV

[...]

Sec. VVVVV-6. 20-A MRSA c. 123 is enacted to read:

CHAPTER 123

SCHOOL MANAGEMENT AND LEADERSHIP CENTERS

§3801. General provisions

1. Definitions. As used in this chapter, unless the context otherwise indicates, the

following terms have the following meanings.

A. "Municipality" means a city, town or organized plantation.

B. "School management and leadership center" means a multiservice agency established and operated exclusively for the purposes of developing, managing and providing services or programs to 2 or more members pursuant to section 3802, subsection 2 and may include associate members pursuant to section 3802, subsection 3. A "school management and leadership center" is a political subdivision pursuant to section 3802, subsection 7.

2. **Establishment.** A school administrative unit as described in section 3802, subsection 2 may become a member of a school management and leadership center through an interlocal agreement pursuant to Title 30-A, chapter 115 and the agreement may include associate members as described in section 3802, subsection 3.

3. **Interlocal agreement.** An interlocal agreement establishing a school management and leadership center must include the structure and governance of the school management and leadership center and its functions, programs and services.

A. An interlocal agreement must include the specifications required pursuant to Title 30-A, section 2203, subsection 2 and a description of:

(1) The school management and leadership center board composition, election or appointment of officers, board member terms and method of voting;

(2) An approval process for a new school administrative unit to join the school management and leadership center;

(3) An approval process for an existing member to transfer to another school management and leadership center;

(4) The process for determining the sharing of costs for and the assessments of or payments to the school management and leadership center;

(5) The budget process that requires a school management and leadership center budget be adopted by a date established in order to meet local school administrative unit budget deadlines. The budget process must include a contingency plan for a budget failure and must be in the cost center summary budget format pursuant to section 1485;

(6) The process for a balanced budget as required by section 3802, subsection 10 and the method of determining the return of any excess funds to the members of the school management and leadership center; and

(7) The process for the disposition of indebtedness and property including by sale or lease, transferred to or from or administered by the school management and leadership center.

B. An interlocal agreement may include but is not limited to a description of the following:

(1) The approval process for the formation of a school management and leadership center;

(2) Any associate members, the process for including associate members and their roles in the school management and leadership center;

(3)The process to authorize the school management and leadership center to borrow funds for school construction purposes including bonds and notes;

(4)The process to approve the purchase or lease of buildings or land by the school management and leadership center;

(5)The process by which a school management and leadership center may establish, maintain and expend funds from a reserve fund or contingency fund;

(6)The process of hiring an executive director for the school management and leadership center; and

(7) A transition plan to move authorized programs and services from a member to the school management and leadership center.

An interlocal agreement cannot transfer a school administrative unit's responsibility for providing the opportunity of a free public education to each of its students or a free, appropriate education to each of its students with a disability as required by this Title or by federal law.

4.Duties of school management and leadership center. A school management and leadership center's functions, programs and services may include but are not limited to the following:

A. Accounting, payroll and financial management services and procurement;

B. Transportation, transportation routing and vehicle maintenance;

C. Reporting functions;

D. **Special education programs and administration;**

E. Gifted and talented programs and administration;

F. Alternative education programs and administration;

G. Substitute teachers and staff augmentation;

H. Technology and technology support;

I. Food service planning and purchasing;

J. Energy management and facilities maintenance;

K. Regional school leadership academies;

L. Staff training and professional development;

M. Shared educational programs or staff;

N. Shared support service programs;

O. Educational programs such as summer school, extended school year, tutoring, advanced placement and other programs that serve students and improve student achievement;

P. Shared extracurricular or cocurricular programs; and

Q. Superintendent services.

§3802. School management and leadership center authorized

A school management and leadership center shall provide administrative and

education functions in accordance with this chapter and shall function as an extension of the member school administrative units and associate members of the school management and leadership center. A member school administrative unit of the school management and leadership center cannot transfer the responsibility for providing the opportunity of a free public education to each of its students or a free, appropriate education to each of its students with a disability as required by this Title or by federal law.

1. **Geographic boundaries.** The commissioner shall determine 9 to 12 geographic areas for the establishment of each school management and leadership center. Membership in a particular school management and leadership center does not require the member to be physically located in the school management and leadership center's geographic boundary.

2. **Members.** Members in a school management and leadership center must be determined by interlocal agreement pursuant to Title 30-A, chapter 115 and may include the following types of school administrative units:

- A. Community school districts pursuant to chapter 105;
- B. Municipal school units pursuant to chapter 111;
- C. Regional school units pursuant to chapter 103-A;
- D. School administrative districts pursuant to chapter 103; and
- E. Schools established on tribal lands pursuant to Title 30, chapter 601.

3. **Associate members.** Associate members for a school management and leadership center may include the following through a contractual agreement or memorandum of understanding with the members of the school management and leadership center:

- A. Career and technical education regions pursuant to chapter 313, subchapter 4;
- B. Public charter schools as defined in chapter 112;
- C. Providers of child development services pursuant to chapter 303;
- D. Magnet schools pursuant to chapters 312 and 312-A;
- E. The Maine Educational Center for the Deaf and Hard of Hearing and the Governor Baxter School for the Deaf pursuant to chapter 304;
- F. Providers of education in the unorganized territory pursuant to chapter 119; or
- G. Municipalities and counties pursuant to Title 30-A.

4. **Provision of services to or from other public entities or nonprofit entities.** A school management and leadership center may provide services to or purchase services from other types of political subdivisions, public entities or nonprofit organizations or associations.

5. **Purchase of services from another school management and leadership center.** A member of a school management and leadership center may purchase services from another school management and leadership center if not provided by the member's school management and leadership center.

6. **Validation.** A school management and leadership center authorized and organized under this chapter is validated, confirmed, approved and declared legal in all respects.

notwithstanding any defect or irregularity that may have occurred in the organization of the school management and leadership center or in the selection of the board of that school management and leadership center.

7. Political subdivision. A school management and leadership center is a political subdivision within the meaning of Title 5, section 19002, subsection 6 and a quasi-municipal corporation within the meaning of Title 30-A, section 5701, and all the provisions of those sections apply to it. Notwithstanding Title 30-A, section 2203, subsection 8, paragraph B, the members of a school management and leadership center may delegate eminent domain power to the school management and leadership center by agreement. A school management and leadership center is considered a tax-exempt governmental entity for the purposes of Title 36, section 1760, subsection 2.

8. Executive director. A school management and leadership center shall employ an executive director, and the interlocal agreement under section 3801, subsection 3 must specify that the executive director shall administer, in compliance with this chapter, the provisions of the interlocal agreement in the school management and leadership center.

9. Personnel. The executive director of a school management and leadership center may employ a chief financial officer and may employ additional staff necessary to administer the functions assigned to the school management and leadership center through the provisions of the interlocal agreement under section 3801, subsection 3.

10. Balanced budget. A school management and leadership center must have a balanced budget and return excess funds to the members as prescribed by the interlocal agreement under section 3801, subsection 3.

11. Authority to borrow, expend and accept funds. A school management and leadership center may:

A. Borrow funds in anticipation of a member's payment of its share of the school management and leadership center budget. Such borrowing:

(1) Must be repaid within one year; and

(2) May not at any time exceed 3/4 of the school management and leadership center's annual approved budget;

B. Expend available funds to pay debt service, security and maintenance costs; and

C. Accept and expend funds from state, federal and other sources and expend those funds on behalf of the members.

12. Bonding authority. A school management and leadership center may issue bonds and notes for school construction purposes. For purposes of this section, "school construction purposes" includes minor capital costs relating to maintenance of a school's physical plant. The school management and leadership center board shall decide whether the issuance of bonds or notes by the school management and leadership center for school construction purposes is necessary. The board shall determine whether the issuance of bonds or notes is authorized, and, if so, the board shall issue the bonds or notes and administer the proceeds of, and the payment of principal of and interest on, those bonds or

notes after issuance. A school management and leadership center may issue bonds and notes for school construction purposes only under the provisions of the interlocal agreement under section 3801, subsection 3.

13. **Withdrawal from school management and leadership center.** If a single school administrative unit applies to withdraw, it must demonstrate to the commissioner that as a result of the school administrative unit's withdrawing that there will be no increase in costs or decrease in student programs and services for the withdrawing school administrative unit and for any of the remaining member school administrative units of the school management and leadership center.

14. **Dissolution of school management and leadership center.** A school management and leadership center may not be dissolved unless it applies to the commissioner for approval and:

A. All member school administrative units apply to transfer to another school management and leadership center; or

B. If all the member school administrative units of a school management and leadership center apply to dissolve the school management and leadership center, they demonstrate to the commissioner that there will be no increase in costs or decrease in student programs and services for any of the member school administrative units of the school management and leadership center.

15. **Reporting requirements.** A school management and leadership center must meet state and federal reporting requirements on behalf of each member school administrative unit.

§3803. Oversight

The commissioner shall provide oversight of the school management and leadership centers, and this oversight must include the following.

1. **Data collection; monitoring.** The commissioner or the commissioner's designee is responsible for collecting, analyzing and reporting data from school management and leadership centers. The commissioner or the commissioner's designee shall monitor the performance and legal compliance of the school management and leadership centers, including collecting and analyzing data to support ongoing evaluation of the school management and leadership centers.

2. **Notification of unsatisfactory performance or compliance.** If a school management and leadership center's performance or legal compliance appears unsatisfactory, the commissioner shall promptly provide written notice to the school management and leadership center and its members of perceived problems and provide reasonable opportunity for the school management and leadership center to remedy the problems. The school management and leadership center shall provide the commissioner a corrective action plan to remedy the problems.

§3804. Audit

A school management and leadership center shall adhere to generally accepted accounting principles and shall annually engage an external auditor to do an independent

audit of the school management and leadership center's finances. The school management and leadership center shall submit the audit to its members and to the department. The audit must be conducted in the same manner as a school administrative unit audit in accordance with chapter 221, subchapter 2.

§3805. Application for and approval of a school management and leadership center

1. **Application.** The commissioner shall establish an application process under this chapter for the formation of a school management and leadership center. The application must be in a form and contain such information as required by the commissioner, including, but not limited to:

- A. The identification of the school administrative units that are applying to form the school management and leadership center;
- B. The specified structure and governance of the school management and leadership center and its purposes, functions, programs and services;
- C. How any savings resulting from the formation of the school management and leadership center will be used; and
- D. A copy of the proposed interlocal agreement pursuant to section 3801, subsection 3.

2. **Commissioner's approval.** If an application under this section contains the information required pursuant to subsection 1, the commissioner shall notify each school administrative unit participating in the school management and leadership center that, pending voter approval as set forth in subsection 3, the school management and leadership center is approved pursuant to this chapter. The commissioner shall keep a register of school management and leadership centers that have been approved pursuant to this chapter.

3. **Voter approval.** If the commissioner approves an application for a school management and leadership center pursuant to subsection 2, the school management and leadership center must receive voter approval using the process specified in the interlocal agreement pursuant to section 3801, subsection 3, paragraph B, subparagraph (1).

§3806. Direct state funding of a school management and leadership center

A school management and leadership center receives direct state funds for start-up costs in accordance with section 15689, subsection 9. A school management and leadership center that provides to members at least 2 different services covering a total of at least 2 different categories as specified in section 15683-C, subsection 2 must receive annual support for 55% of the executive director's salary and benefits, an accounting and payroll system and a student information system.

The school administrative units that are members of a school management and leadership center must receive state funds in accordance with section 15683-C.

§3807. Regional school leadership academies

A regional school leadership academy is a professional development consortium that

combines state and local programs and resources, including the preparation, licensure, certification, professional development and training for educational leadership, into a coherent system that can significantly improve the recruitment and preparation of prospective candidates for school principals and other school leadership positions, as well as the induction, mentoring and retention of principals and school leaders during the first 2 years of employment in their school leadership positions. The mission of an academy may be to enhance the quality of the preservice and in-service staff training programs for school principals and other school leadership positions, to improve the distribution, supply and quality of school leadership personnel in underserved school administrative units in the State and to develop appropriate professional development pathways at participating schools in the academy. To fulfill its mission, the academy may work in coordination with educational leadership mentors and coaches, with high-performing educational leaders and with educator preparation programs and statewide education associations.

Sec. VVVVV-7. 20-A MRSA §5205, sub-§6-B is enacted to read:

6-B. School management and leadership center enrollment policies. Members in a school management and leadership center, as defined in section 3801, subsection 1, paragraph B, may adopt a mutual policy allowing the transfer of students, with parental approval, among the member school administrative units. The mutual policy must set forth procedures and standards governing the transfers, including but not limited to the school year or years in which the policy applies, application procedures and standards of responsibility for transportation and special education. Each member school board that adopts the mutual policy under this subsection shall post a copy of the mutual policy on the school administrative unit's publicly accessible website and shall provide timely notice of the policy to residents of the school administrative unit governed by that school board. For the purposes of chapter 606-B, a student transferred under this subsection is considered a resident of the school administrative unit to which the student transferred.

Sec. VVVVV-8. 20-A MRSA §6202, sub-§1-A, as amended by PL 2009, c. 154, §3, is further amended to read:

1-A. Interpretation. The statewide assessment program results may be interpreted in a manner that takes into account the particular role within a school administrative unit of **regional special education** or regional alternative education programs or schools approved by the commissioner in accordance with ~~chapter 113-A~~ or section 7253. For these programs or schools, the results may be interpreted by assigning the student and the scores of the student to the school in the community where the student resides. The commissioner shall adopt rules to implement this subsection. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. VVVVV-9. 20-A MRSA §15672, sub-§2-A, ¶B, as amended by PL 2007, c. 111, §3, is further amended to read:

B. Lease costs for school buildings when the leases, including leases under which the school administrative unit may apply the lease payments to the purchase of portable, temporary classroom space, have been approved by the commissioner for the year prior to the allocation year. Lease costs include costs for leasing:

- (1) Administrative space. A school administrative unit engaged in a state-approved lease-purchase agreement for administrative space is eligible for state support until July 1, 2008;
- (2) Temporary and interim instructional space. Temporary space is instructional space consisting of one or more mobile or modular buildings that are portable, that are constructed on- or off-site and that can be disassembled and moved economically to a new location. Interim instructional space is fixed instructional space that a school administrative unit rents for a defined period of time and then vacates at the end of the lease.

(a) A school administrative unit with state-approved need for instructional space may lease temporary or interim space, with state support, for a maximum of 5 years. A school administrative unit may appeal to the commissioner if this limitation presents an undue burden. When making a determination on a school administrative unit's request for relief based on undue burden, the commissioner may consider, but is not limited to considering, the following:

- (i) Fiscal capacity;
- (ii) Enrollment demographics; and
- (iii) Unforeseen circumstances not within the control of the appealing school administrative unit.

An extension granted by the commissioner beyond the 5-year maximum for state support is limited to a period of one year. Any additional request for extensions must be submitted and reviewed on an annual basis. The commissioner's decision is final.

(b) A school administrative unit with state-approved need for instructional space may engage in a lease-purchase agreement for temporary or interim instructional space with state support for a maximum of 5 years; ~~and~~

- (3) Permanent small instructional space that replaces existing approved leased temporary or interim instructional space. Permanent small instructional space consists of new buildings or additions to existing buildings that are secured to a permanent foundation. Once an existing leased temporary or interim instructional space has been replaced by a permanent small instructional space through an approved financing agreement, that space is eligible for state support for a maximum of 10 years.; and

(4) Regional programs and services space. A school administrative unit engaged in a state-approved lease-purchase agreement for regional programs and services space that serves students from 2 or more school administrative units is eligible for state support for a maximum of 5 years.

The department shall adopt rules necessary to implement this paragraph. Rules adopted by the department to implement this paragraph are major substantive rules pursuant to Title 5, chapter 375, subchapter 2-A; and

Sec. VVVVV-10. 20-A MRS §15683-C is enacted to read:

§15683-C. School management and leadership center members: calculation of school management and leadership center administration allocation and state contribution

Beginning with fiscal year 2018-19, this section applies to school administrative units that are members of school management and leadership centers pursuant to chapter 123.

1. Calculation of school management and leadership center per-pupil rate. The commissioner shall calculate a per-pupil amount for school management and leadership center administration. The per-pupil amount for school management and leadership center administration is based on the actual General Fund expenditures for school administrative units with 2,500 students or more for the functions of school boards, elections and central offices, as defined in the State's accounting handbook for local school systems for the most recent year available, excluding expenditures for administrative technology-related software and less miscellaneous revenues from other local governments, divided by the average of October and April enrollment counts for that fiscal year and adjusted by appropriate trends in the Consumer Price Index or other comparable index.

2. Categories of services of school management and leadership center. The following are the categories of services that a school administrative unit that is a member of a school management and leadership center pursuant to chapter 123 may purchase for funding purposes under section 3806.

A. Category 1, appropriate instructional services in the least restrictive settings that comply with federal regulations and state rules, including:

- (1) **Special education programs and administration;**
- (2) Gifted and talented programs and administration;
- (3) Alternative education programs and administration;
- (4) Shared educational programs or staff; and
- (5) Educational programs such as summer school, extended school year, tutoring, advanced placement and other programs that serve students and improve student achievement.

B. Category 2, education support services, including the following services:

- (1) Substitute teachers and staff augmentation;
- (2) Technology and technology support;
- (3) Staff training and professional development;
- (4) Regional school leadership academies;
- (5) Shared support services programs; and
- (6) Shared extracurricular or cocurricular programs.

C. Category 3, central office services, including the following services:

- (1) Accounting, payroll, financial management services and procurement;
- (2) Reporting functions;
- (3) Food service planning and purchasing; and
- (4) Superintendent services.

D. Category 4, facilities and transportation system services, including the following services: