

A CASE FOR COOPERATION  
PART II

SCHOOL CONSOLIDATION:

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And Where We're Going*

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The Short Term and the Long Haul*

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## CHAPTER 1

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### *Where We Came From, And Where We're Going*

The Legislature passed a sweeping school consolidation law as part of the state budget last June. It was the most significant change in school organization since the Sinclair Act of 1957 created the first regional school districts.

Passage of LD 499 came exactly 50 years after the first attempt to promote regional cooperation. The two-generation interval suggests both how difficult it is to enact change in public education, and how overdue the effort was.

Even now, it is not well known how significant are the legal changes contained in the budget. The law not only mandated the consolidation of 290 existing districts into no more than 80, but it repealed the entire mass of regional school district law created up to that time.

The statutes that authorized school unions in the 1930s, school administrative districts (SADs) in the 1950s and '60s, and community school districts (CSDs) in the 1970s have all been erased from the educational blackboard. As of 2009, the only forms of recognized school administration will be the municipal school department and the new regional school unit, or RSU.

But school consolidation, the route taken by the Legislature at Governor John Baldacci's urging, is a process that is neither simple nor quick. Both supporters of consolidation and its adversaries underestimate the scale of change it requires, and sometimes misunderstand or misrepresent what can and should be accomplished at the local and regional level.

Better use of financial and educational resources needs to be central to any discussion of the new law, and how it can be changed to yield better results. School reorganization presents a unique opportunity to bring resources and opportunities into balance. It will take time to achieve educational results and financial efficiencies, but there is no doubt that the Governor and the Legislature were right to act.

This report makes a number of observations and recommendations about making course corrections to the existing legislation, and bills to be considered in the 2008 session. But its primary purpose is to improve understanding of what has already taken place, and what steps will be necessary in the years to come for the state – and more particularly its children and families – to benefit from the arduous effort now taking place. Fuller discussion of future legislation and cooperative efforts will be included in a larger report to be issued in the spring. For now, the work of lawmakers in 2008 is the major focus.

The forces that created the Sinclair Act and the school consolidation law 50 years later were very different, and reflect the changed circumstances both of government and the people that it serves. The 1950s were an era of major expansion in public education. Many states launched public university systems (Maine's came later, in the 1960s) and expectations for public school students were rising.

- Less than half of all Maine students graduated from high school when the Sinclair Act was passed. Today, virtually every good job requires a high school diploma, and most require college training as well.

- In the 1950s, the population of Maine was rising, and school-aged children were arriving in astonishing numbers, thanks to the baby boom. Many towns didn't know how they were going to handle the influx. Today, overall enrollment of K-12 schools is shrinking at an accelerating pace. Enrollment of students peaked in the 1970s at 250,000 and has now declined to less than 200,000.
- The path to the Sinclair Act was deliberate and methodical. It was preceded by a two-year study, known as the Jacobs report, which documented the inadequacies of Maine schools, particularly secondary schools. Sponsored by Senator Roy Sinclair, a Republican, the measure was enthusiastically backed by Democratic Governor Edmund Muskie, then serving his second two-year term before departing the following year for the U.S. Senate.
- Gov. Baldacci first mentioned the possibility of revamping school districts in his 2007 inaugural address, and provided details in his subsequent budget address. No official state study preceded the proposal, and the plan clearly caught local school officials by surprise.

While a number of independent reports, including *A Case for Cooperation*, called for more efficient school administration, they did not envision the scale of mandated changes originally proposed by the Governor. His plan would have created 26 regional schools districts instead of the existing 290 districts, on the pattern of the vocational-technical centers created in the 1950s.

The political environments surrounding the two laws were also sharply different. The 1950s were a time of rising expectations, with the public willing to expand state revenues, through a general sales and then an income tax, in large part to support schools.

Today, the tax burden is a continuing issue at the State House, and the Legislature has enacted a host of programs aimed at containing or reducing property taxes. At the municipal level, support for schools still consumes a majority of property tax revenue, despite increasing state support.

Another major factor was the school funding referendum, proposed by the Maine Municipal Association in 2003, and enacted in a second election in 2004, that requires the state to pay 55 percent of school operating budgets and reimburse all special education costs. The referendum, phased in by the LD1 enabling legislation passed in 2005, has dramatically increased state aid to education – an additional \$800 million over previous levels during the four-year phase-in. State aid will reach an annual total of \$1 billion, nearly one-third of the general fund budget, by fiscal 2009.

It is not surprising, then, that the state, now paying a majority of school operating costs plus the full cost of teacher retirement, would seek a greater degree of control over school spending. Falling enrollments have created sharply rising per student costs in most Maine school districts. Already small schools have gotten smaller, to the point where one former education commissioner has described many high schools as plagued by the “empty classroom syndrome.”

School boards have been faced with the unwelcome alternatives of cutting course offerings and staff or raising taxes to cover shortfalls. Often, they have done both.

Maine needs to pursue the opposite course of action. It [Maine] needs to moderate the financial demands on property taxes, and it needs to increase programs and opportunity for students, who face a much more demanding world following graduation from high school and college. What worked in 1908, or 1958, will not work in 2008. Change is necessary, and simply advocating for the status quo provides no answers.

Consolidation along the lines of LD 499 can generate both savings and educational improvements, but it is not yet clear whether those will, in fact, be the results of the law. While most school districts are

making a good faith effort to comply, many of the discussions have focused primarily on the perceived obstacles to joining together, and on predictions that reorganization will increase costs rather than reduce them.

Some groupings technically comply with the law, but would not create a workable school district over the long term. And other districts that could benefit from greater cooperation with their neighbors have made little effort to explore these possibilities because they are exempt from the law except for budgeting modest savings in several line items. In a few cases, reorganization committee members are openly predicting that voters will turn down the plans they devise. And the educational benefits of reorganization are rarely spelled out and presented up front, even by committed educators with experience in such endeavors.

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So what explains the widespread skepticism about the law, and continued hostility to it in some quarters?

To understand the answers, we must go back to the method used to create LD 499, and its strong and weak points as policy.

When the Legislature convened in January 2007, the joint Education Committee was given the task of reviewing the school reorganization portion of the Governor's budget proposal. It met for nearly two months and heard enormous amounts of testimony about different ways for the 290 districts to work together. Unfortunately, the committee was unable to agree on a single recommendation to the Appropriations Committee by the deadline set by legislative leadership. Instead, it presented three different reports that differed widely in their methods and aims.

Faced with this impasse, the Appropriations Committee essentially wrote its own plan, taking the Governor's 26-district proposal, which would not have required local approval, as a starting point. In the final version, the Commissioner of Education was given responsibility for overseeing a process that would lead to 80 or fewer school districts across the state. All districts were required to budget savings for administration, transportation and special education in the fiscal year beginning July 2008, with the expectation that many districts would reorganize by that time.

Districts with fewer than 2,500 students were required to seek consolidation with nearby districts to attain that size, and in no case except geographic isolation – chiefly island schools – were the new districts to have fewer than 1,200 students. Districts that made good faith efforts to find partners but were unable to secure agreements could also be granted exemptions to these minimum sizes – the so-called “doughnut hole” districts.

Districts interested in joining together were to form locally chosen reorganization planning committees – some of which ended up overlapping – and complete their plans by December 1, 2007. Voters in each municipality would then have to approve joining a new regional district, with referendum votes taking place by January 2008, and in no case later than November 2008.

The timeline for reorganization occupied a great deal of the Appropriations Committee's discussions. The process was driven by the need to create \$36 million in savings, as proposed by the Governor, in the state's contribution to local budgets for the 2009 fiscal year. In retrospect, the emphasis on quick results from reorganization – before such reorganization could show any such results – has posed problems for

districts trying to comply with the law. Even more significant, it has once again placed the emphasis on budgets rather than the education Maine’s children are receiving.

Another possibility for reorganization would have been the introduction of planning alliances – regional groups that would have produced a template for all the school districts in its area. Such temporary groups for the 26 vocational education regions were recommended in the first *Case for Cooperation* report, and were part of proposed legislation from a coalition composed of the Maine Municipal Association, the Maine Education Association, and the Maine State Chamber of Commerce. The aim was not to form “super districts,” but to come up with an overall plan for all districts within each region. This would have decreased the chances of districts being left out – the “doughnut holes” – and eased perceptions that only small districts were targeted by state mandates to consolidate.

In the end, it is unclear whether the process chosen by the Appropriations Committee will take less time, or more time, but the question is moot. It is now up to local school districts to use the tools at hand to create new districts that can better serve students. The critical need now is for strong local leadership that will highlight the choices and help provide the structure for new school districts to thrive.

Each legislative committee – Education and Appropriations – attempted to do the job it was assigned. It is not surprising that the Legislature’s finance committee put its emphasis on balancing the state budget in the short term, leaving the difficult details of actually reorganizing school districts to others. Still, the landscape for discussions has unnecessarily focused on budgets rather than on educational priorities. If financial issues could be quickly solved, this might not matter. But the evidence to date is that financial issues are preventing consolidation that might otherwise take place, and that the emphasis on money tends to drive negotiators apart rather than bring them together.

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The situation is nicely summed up by a city councilor who observed a local regionalization process that began before LD 499 was passed – and is so far the only completed regional district to meet the state’s new standards. James Omo, an elected councilor in Bath who is also a voting member of the school board, had a unique perspective on negotiations between Bath and the towns of School Union 47 that led to creation of the as-yet unnamed regional district designated RSU 1.

Discussions of finances in the new district were always divisive, Omo said. “Every time we got away from education, there was trouble. Whenever we got back to educational excellence, we could agree.”

And so it has proven to be in many reorganization planning committees (RPCs) across the state. In the sections of LD 499 dealing with RPCs, it requires consideration of governance, voting methods, disposition of property, personnel contracts, and cost savings. There is no mention of educational planning. Those RPCs that have formally included educational offerings in their discussions are usually those making the most rapid progress toward agreement. As the RPCs continue to meet, it would be helpful to focus on some goals that are not specifically mentioned in the legislation.

In presenting its plan for school district regionalization, the Baldacci administration emphasized that it was targeting only administration and non-classroom services, and that it would not require closing or

reconfiguring schools. While intended to reassure parents who feared a wave of school-closings as a result of consolidation, these statements provide an incomplete picture of what school districts are being asked to do.

The RSU model is quite clear: The new districts will have one superintendent, one school board, and one budget. More than reconfiguration of the central office will result from such changes. We can see this already in the SADs, which resemble RSUs in most respects but are often smaller than 2,500 students.

Since one school board is making decisions, it coordinates schools throughout the district in each member town, hires staff under unitary contracts, and provides centralized services. This is an essential part of achieving both the financial and educational benefits of consolidation.

Several RPCs, for instance, have become fixated on the difficulties of coordinating teacher salaries among districts with varying pay scales. The assumption is that all current members paying less will then have to pay more under consolidation, overwhelming any savings from administrative efficiencies.

The premises of this discussion are flawed, however. A consolidated school district will have far more flexibility in assigning teachers where they are needed. Class sizes have shrunk significantly in Maine in just the last 10 years. This is not the result of policy changes calling for smaller classes, but the state's shrinking number of students. Some smaller schools are faced with the difficult decision of laying off teachers simply because there are too few children in a particular grade. Conversely, keeping a teacher to instruct a handful of students drives up per-student costs to unsustainable levels.

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The result of reorganized districts should be, in short, better paid teachers but fewer of them, statewide. This is a necessary tradeoff. Maine has high per-student costs *and* poorly paid teachers. Before a recent minimum salary bill was enacted, Maine had the *lowest* starting salaries of any state.

This is not a formula for success, or for attracting well-trained teachers in the future. Even if new districts adopt no-layoff policies, they will still be able to staff classrooms more efficiently within a short period, due to predictable retirements and resignations. The riddle of coordinating teacher salaries in a new district without raising costs can be solved, but only if planning committees examine the whole picture, and not just the status quo.

Resistance to the mandates of LD 499 remains, and is deeply rooted in some communities. A drive to repeal the school law is circulating petitions, and has until January 28 to submit some 54,000 valid signatures to place a referendum question on the November ballot. At this writing, it appears unlikely there will be enough signatures, but one can assume such a question will ultimately be submitted to the Legislature, perhaps for a decision by the voters in 2009. Justifying the new law to the people of Maine cannot be accomplished without a frank discussion of local control.

Many towns, however small, seem to feel most comfortable in running their local schools by themselves. A regional school board, they argue, will diminish local control and remove the closeness between school boards and the students they serve.

Regionalization does diminish local control defined strictly in this way. Changing living patterns have already transformed Maine communities in many ways, however, and call for new responses by

government. Most Mainers no longer work in the communities where they live. “Neighborhood schools” once meant that kids could walk to school. Now, virtually all students arrive on school buses, and teaching has changed markedly since the days of the one-room schoolhouses. Most educators prefer schools grouped by grade. Where towns have more than one elementary school, they are most often grade K-2 or 3-5. Kids, and teachers, benefit from the sharing of knowledge this permits.

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The complicated overlapping of school board and jurisdictions has been swept away by LD 499. This permits a new definition of local control, one based on kids and schools, rather than municipal boundaries. Children do not look to their town for their identity, but rather to their place in the classroom. Adults need to realize this basic truth about schools. New structures that respond to children’s educational needs should be embraced, and not feared.

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## CHAPTER 2

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### *LEGISLATION FOR THE 2008 SESSION: THE SHORT TERM AND THE LONG HAUL*

Legislation to revamp the school consolidation law in 2008 will come in two parts. The first, LD 1932, is intended to be a fast-track bill that will remove financial obstacles to consolidation identified during the first phases of the reorganization process. The second bill, as yet unnumbered, will be an “omnibus” proposal that could incorporate elements from more than 60 bill requests that were rejected by the Legislative Council for consideration during the 2008 session.

Among those requests were proposals to repeal all or major parts of the consolidation law. It will be the Legislature’s task not only to remove obstacles, but also to actively encourage school districts to move forward if the educational promise of regional cooperation is to be achieved, and the public to be convinced the law is working as intended.

#### **The Department of Education Bill**

LD 1932, prepared by the Department of Education, addresses three aspects of consolidation that have been cited as obstacles during local reorganization planning committee (RPC) discussions. The first involves cost-shifting among the towns and cities that would be involved in a new Regional School Unit, or RSU. The second affects so-called “minimum receivers,” towns that do not raise the minimum

property tax necessary to qualify for subsidy under the Essential Programs and Services tax rate calculation (currently \$7.44 per thousand). And the third affects towns raising less than the required \$2 per thousand for schools.

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The solutions proposed by LD 1932 provide a kind of rough justice for school consolidation agreements, and would undoubtedly help some districts come to agreement. In some cases, they simply preserve the financial status quo. Taken as a whole, they depart from the overall benchmarks of financial equity the state has tried to provide. The primary purpose of state education aid is to ensure there are adequate resources for each student without unduly burdening local property taxpayers. The changes are, in short, necessary compromises needed to make consolidation work statewide. But the Legislature should consider them as short-term solutions rather than the ultimate rules that should guide the provision and distribution of state aid.

The cost-shifting provisions are perhaps the most important. When prospective regional districts first “ran the numbers” on what their school budgets would look like, some of them found major shifts in their expected contributions. The factors driving such changes were varied, but the reaction to them was unanimous: No town wanted to pay higher costs, even temporarily, as a condition for joining a new regional unit.

LD 1932 fixes this problem by allowing new RSUs to adopt their own cost-sharing formula, based on any objective factors that are relevant to school finance. Most new districts appear to want to keep municipal contributions to a new district equivalent to current support. The widely varying estimates of such contributions, however, appear to be as much a reflection of differing budget practices between districts as any requirements of the new consolidation law.

The old SAD (school administrative district) agreements, now repealed, were explicitly based on a mix of property valuation and enrollment, and were enacted as private and special laws. While some SADs split the factors equally, some included as much as a 90 percent emphasis on one factor over the other. The inclusion of population was an innovation for RSU 1, the Bath-area district now organizing under its own law, LD 910. It deals with a relatively new phenomenon: the exodus of families with school-aged children from coastal communities where property values have risen sharply.

The minimum receiver problem, affecting about 80 municipalities statewide that receive either their special education costs or 5 percent of their EPS allocation, whichever is greater, was also reflected in earlier negotiations in the Bath area. Simply put, some districts now qualify for minimum subsidies as individual municipalities would lose that status once considered as part of a larger district formed as an RSU.

This was a major concern in the Bath discussions, since three of the six municipalities considering consolidation were minimum receivers. The new district sought a three-year guarantee of subsidy that was included in the Education Committee’s majority report but not in LD 910 as enacted. The provisions in the proposed LD 1932 would essentially guarantee that a minimum subsidy for each town in a new RSU would continue in perpetuity. Since it is state policy to fund each school district equitably, and since regional districts would become the norm under the school consolidation law, the Legislature should consider phasing out this provision, which should become less pressing over time as the efficiencies gained through regionalization take hold.

The final element – a required minimum \$2 per thousand contribution of all towns in an RSU -- affects only a relative handful of communities, perhaps 16 towns and plantations among Maine’s 493 organized municipalities. Those affected have high property valuations and few students. The legislative intent in the overall consolidation law was to require all towns in an RSU to make at least a modest tax effort, but the more likely result is that such communities will stay aloof from RSUs and pay whatever penalties the state chooses to impose.

For that pragmatic reason alone, the elimination of minimum tax contribution can be justified. In the interests of financial equity, however, the Legislature may want to revisit this issue, either through a lower minimum contribution or some other means.

After a December 12 public hearing, the Education Committee agreed to make one significant change, which lawmakers may want to reconsider. The committee put off by one year the effective date for a new standard budgeting procedure known as “budget validation.” Each school district would prepare a budget using 11 “cost centers” from the Essential Programs and Services (EPS) model prepared by the state for each district. This would have the advantage of allowing accurate comparisons by citizens within each district, and between districts statewide, rather than the existing crazy-quilt of varying budget formats. The procedure also requires a municipal or RSU referendum to “validate” the budget.

Rather than delay adoption of the new budget format – which should not be unduly difficult for school districts to employ -- the Legislature may simply want to omit the referendum requirement in the first year. That would give school districts and superintendents plenty of time to get used to the new format and explain it to voters in 2009.

### **The Committee Bill**

The omnibus bill the Education Committee plans to write during this session could be tugged in many different directions. Some legislators are seeking new regional schools for new RSUs in their area, while others are advocates of repealing the consolidation law. There will be much testimony, but likely little overall agreement on what direction to take, since only one RSU agreement has been ratified.

Some of the more ambitious goals of regional cooperation can be met only with a new state budget proposal in 2009. Yet there are at least six areas or themes in which the committee can have useful discussions, as well as laying the groundwork for more fruitful collaborations between emerging school districts and, ultimately, whole regions of the state.

#### **1. Enhanced facilitation**

While some school districts have found suitable partners for RSUs, other have struggled to do so, sometimes because neighboring towns have rejected cooperation without fully considering its long-term educational benefits, rather than its presumed short-term financial effects.

Even some of the plans that have received preliminary approval from the state seem deficient in their prospects for long-term success. Some plans already have fewer students than required at a time when enrollments are continuing to fall. Districts with long-standing tuition agreements with other towns are going in different directions. And some proposed districts do not even have contiguous boundaries, and are separated by other non-cooperating districts. While a statewide planning process is no longer feasible, the Legislature could provide funding and a mechanism for further area-wide

discussions, perhaps through a competitive grant program similar to municipal school and municipal regionalization funds that have been used in recent years.

## 2. Curriculum standards

While it may not be necessary to prescribe statewide standards for each school district, the state would do a great service by devising a model curriculum. The Department of Education is currently at work assessing standards for all districts – the municipal school departments that remain, and the new RSUs that will be created. Recommendations are expected by 2009.

Despite Maine's high per-student costs, academic programs have already been cut back in many districts. In one important example, districts that once offered foreign language instruction at the elementary level no longer do so. Recent educational research has convincingly shown that children learn languages best in their early schooling. Most Maine schools do not introduce foreign languages until middle school, and some not until high school. By then, it is too late for most students to begin learning foreign languages successfully. One opportunity for Maine's educational system to become truly competitive in the world is being lost.

The same could be said for courses in art, music, technical programs, and many high school electives. The fewer courses schools offer, the fewer ways educators have of capturing kids' attention, especially those who may not respond to the standard English, math and science courses. The state's Learning Results were cut back sharply because of concerns about schools' capacity to offer truly broad-ranging programs. The advent of RSUs is the ideal time to spell out what schools should offer, and in the process re-energize parent and community support for high-quality schools.

## 3. School facilities

The catalyst for formation of the original SADs under the Sinclair Act, which RSUs closely resemble, was the promise of new schools that would adequately serve student needs well into the future. The power of new schools to bring communities together is just as strong today as it was 50 years ago, and needs may be even more pressing.

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Most of the high schools we now have were built during that era, and most of them need to be replaced. But one-by-one, on-site replacement would be neither educationally suitable nor financially feasible. Some 40 percent of Maine's high schools are already below the minimum size of 300 students recommended in the Sinclair Act. Many of these school populations are getting smaller. Today's high schools also require different configurations and access to high technology if they are to serve student needs over the next 50 years.

The Department of Education has cancelled one round of the biannual applications for new school, due to the uncertainties created by the consolidation law, and also because existing financial resources may not be sufficient to build a significant number of schools.

The Legislature should take steps to assess facility needs in existing and emerging new districts to see if new schools can again become a magnet for regional cooperation. Offering a new generation of schools adequately sized for superior learning can be much more persuasive than any number of directives from the state.

#### 4. Clarifying incentives

When LD 499 was being considered, lawmakers and other state officials pledged that it would have incentives for regionalization and penalties for non-compliance. As passed, however, penalties are clearly spelled out but incentives are vague and relatively insubstantial. Other than receiving priority for a new school construction program that does not yet exist, it is hard to find positive reasons to join together that are not locally generated.

Lawmakers should consider a formal incentives program, as well as designating funding to cover startup costs for the new RSUs. The savings from consolidation will take some time to realize, but at least there shouldn't be substantial new burdens created by forming an RSU.

#### 5. Examine further impediments to consolidation

The expected passage of LD 1932 will remove certain financial barriers to consolidation for some new districts, but LD 499 leaves some other key issues unresolved. Two of these issues involve school choice and locally incurred debt.

- **School choice** differs from community to community, and LD 499 preserves any existing arrangement than any school district might have as of 2007. This is unlikely to be a long-term solution, however. At least some of the RSUs will have more than one high school – at present, only Portland does – and many will have multiple middle schools. Ideally, school choice can best be practiced within a regional school district. Continuing to send students to schools outside regional districts has two obvious drawbacks. First, it is usually more expensive. Second, it is difficult for many families to provide transportation to distant schools, effectively limiting how choice can be exercised. The Bath-area RSU 1 resolved this issue by limiting out-of-district choice to current students and their siblings. At a minimum, state law should require that RPCs formally consider a choice policy that can ultimately be applied uniformly across the new district.
- **Local debt.** LD 499 requires that all school facilities within a new RSU be transferred from each municipality and become the RSU's property. It also provides for the transfer of any state-approved debt to the RSU. It prescribes negotiations among new RSU members about debt incurred by local taxpayers in maintaining or improving school facilities. Although some districts have been reluctant to assume responsibility for debt incurred by other RSU partners, the new RSU also receives benefits of the improvements financed by the debt, along with ownership of the buildings. While there is no a single formula that can be mandated, the state can make clear that some form of cost-sharing for local debt should be included in RSU agreements.
- **Contracts.** The consolidation law provides that all contracts incurred by member towns in a new RSU be honored for their entire duration. While this makes some sense at the top administrative level – at least the option for continuity of leadership should be preserved – it could present formidable difficulties for new RSUs, which could be administering a dozen different teacher contracts for the first three to five years of their existence. A more equitable, and practical, solution would be to open negotiations for RSU labor contracts at the time of their formation. This was done as a provision of LD 910, authorizing the Bath-area RSU, and had the support of both labor and management.

## 6. Cooperatives

Consolidation of districts is not the only way to create better educational opportunities and financial efficiencies. In many states, cooperative organizations, some of them quite ambitious, are effectively providing both classroom and non-classroom services to students over large geographic areas. The best-developed cooperative in Maine is the Penobscot River Education Partnership, involving seven local school units and the University of Maine, which has expanded services at the request of member districts.

*Maine can clearly benefit from another round of regional cooperation, this one entirely voluntary*

As the new configuration of consolidated districts begins to emerge, the state should be planning how to encourage formation of new cooperatives. Even if consolidation meets the targets of LD 499, the resulting district will still be much smaller than the national average. It will continue to be expensive, and in some instances ineffective, to offer financial and legal services, special education, transportation, food service, and other functions on a single-district basis. Maine can clearly benefit from another round of regional cooperation, this one entirely voluntary and premised on the provision of improved services at a lower cost. Children will benefit because there will more resources available for teaching and learning.

As enacted, the state consolidation law puts great emphasis on immediate budget savings and stints on incentives that could help existing school districts approach the consolidation process in a more hopeful and positive way. While money is tight, reallocating state funding to promote needed change is just as essential as refocusing resources at the local level. The Sinclair Act was effective in large part because it provided clear standards combined with local assistance and incentives. The new effort to regionalize schools should strive for the same balance.