

SCHOOL DISTRICT REORGANIZATION ALTERNATIVES

Reorganization is not a panacea for a school or school district. However, it can be a means of maintaining and improving programs and services for students, more effectively utilizing staff and school facilities, and reducing operational costs and improving the financial condition of a school district.

School district reorganization alternatives such as academic pairing, consolidation, and cooperation and combination are detailed in other information packets. This packet will provide a checklist on **Indicators of Need For Studying Reorganization Alternatives**, guidance and procedures for **Developing, Reviewing, and Implementing Proposed Reorganization Agreements**, and addresses **Common Questions About School District Reorganization**.

If you have questions on any of these topics, please call (651) 582-8781.

Indicators of Need for Studying Reorganization Alternatives

Note: Use the following list of indicators to assess the need to study school district reorganization alternatives. The more indicators checked, the greater the need to further study reorganization alternatives. Certain indicators may be considered more important than others.

I. Economy, Population, Enrollment

- A. Economic and population growth less than state or regional averages
- B. Declining school enrollments and school age population profile
- C. Increase in transfer of resident students out of school district under choice programs
- D. Enrollments averaging less than 15-20 students per grade in elementary grades, 60-90 in middle level grades, and 90-120 in high school grades
- E. No projected upturn in economic growth, population, or student enrollments

II. Educational Programs and Staffing

- A. Limited secondary class offerings, especially classes delivering preparatory and high graduation standards, lifework development, and elective classes
- B. Limited access to and use of up-to-date technology by staff and students
- C. Increase in one section or low-enrollment (less than 12-15 students) secondary classes, or small or combined elementary classes
- D. Lack of specialized personnel (e.g. counselor, librarian, technology, music, or physical education specialists) and comprehensive programs and services for students
- E. Difficulty in providing preventative or remedial services for students taking graduation standards basic skills tests
- F. Program and staff reductions, relatively low salary schedules, high staff turnover
- G. Secondary teachers average three or more preparations and/or teach out of major certification area
- H. Lack of coordinated staff development or staff participation in programs

III. Student Achievement Results

- ___A. Relatively low or declining student performance on MCA basic skills tests
- ___B. Relatively low or declining student performance on standardized achievement tests
- ___C. Relatively low or declining numbers of students meeting preparatory and high standards contained in the graduation standards
- ___D. Relatively high or increasing drop out and student absence rates
- ___E. Relatively high or increasing numbers of violent, at-risk and emotionally unhealthy behaviors in school and as reported on the Minnesota Student Survey
- ___F. Unsatisfactory or declining student satisfaction with school programs, services, and adequacy of preparation for further education and/or employment
- ___G. Unsatisfactory or declining educational institution or employer satisfaction with adequacy of student preparation for further education and/or employment

IV. Cooperation Agreements, Partnerships, and Community Support

- ___A. Lack of cooperation agreements with neighboring school districts or service cooperatives to provide needed student programs and services in special education, technology, staff development, or the delivery of graduation standards
- ___B. Lack of partnership agreements with public or private organizations to provide needed health/education programs on-site such as early childhood family education, head start, or services for at-risk students, families, and youth employment
- ___C. Lack of partnerships with local businesses or community organizations to provide needed support for school programs and increase community use of school spaces
- ___D. Pattern of inability to develop needed cooperation agreement(s) with neighboring districts, human service agencies, and community organizations
- ___E. Minimal, stagnant, or declining parent attendance at school functions or involvement in advisory committees
- ___F. Unsatisfactory or declining student and/or parent, community, and/or employer satisfaction with school programs, services

V. School Facilities

- ___A. Small school site with bus/parent drop-off safety issues, inadequate space for outdoor activities and parking, and limited or no site expansion possibilities
- ___B. Old/outdated school facilities with many additions and levels that separate student programs and services that should be clustered together, use of inadequate spaces or temporary classrooms, and inefficient and inadequate heating, plumbing, and electrical systems
- ___C. Lack of classroom, lab, resource, storage, conference, office, and support spaces; no spaces to accommodate program additions or growth
- ___D. Classrooms, labs, core (e.g. media center, cafeteria), and support spaces do not meet current state guidelines; slow progress in upgrading spaces to meet guidelines
- ___E. Regular or special service classrooms/student spaces in basement, office or storage areas, on gymnasium stages, in locker rooms, or other inappropriate locations
- ___F. Poor indoor air quality, lighting, sound insulation, and learning and teaching environments that have negative effects on student achievement
- ___G. Facilities not up to state fire marshal, ADA, or building code requirements in many areas; slow progress in upgrading facilities to meet current codes
- ___H. Lack of adequate use of health and safety, district capital, and/or bond referendum funds to address building health and safety issues and educational deficiencies and to make needed and/or desirable improvements
- ___I. Relatively high maintenance costs and increasing deferred maintenance needs resulting from declining school district student enrollments and revenues, excess square footage, or failure to close or phase-out old, outdated, and cost-inefficient schools
- ___J. Cost of bringing existing facilities up to guidelines and code requirements approaching or exceeding 60% of the cost of replacing the facilities
- ___K. Failure to pass operating levies or bond issues that provide funds for school facilities maintenance and improvements

VI. School District Finances

- ___A. High per pupil operating expenditures
- ___B. Trend of declining fund balances, expenditures increasing faster than revenues
- ___C. Relatively high per pupil instructional and/or administrative costs
- ___D. Required and needed student programs and services under-staffed, under-funded, or not funded at all
- ___E. Issues resulting from adjusted net tax capacity and property tax rates
- ___F. More operational levy revenues necessary to prevent continuing staff and program reductions and/or fund balance declines
- ___G. Failure to pass operating levy referendums

Note: relatively high or low is in comparison to school districts of similar size and location and/or state averages

Developing, Reviewing, and Implementing Proposed Reorganization Agreements

Introduction

The success or lack of success many school districts have in developing, reviewing, and implementing proposed school district reorganization agreements to a great extent depends upon the processes used by the interested districts, and the positive or negative attitudes and activities of participants. School boards, staff, students, parents, and citizens need to cooperatively and positively develop a vision of what they want to achieve, identify needs and specify student program and service, school facilities, and school district finance improvement goals, and develop and implement plans and indicators to measure achievement of their vision and goals.

Persistent and patient leadership is needed from school board members and staff in working with and helping the larger school community understand the need for change and what will be gained from the proposed changes. A team leadership effort is essential, and leaders should make every effort to keep the dialogue positive and cohesive, focusing on what the potential cooperating districts have in common, and what student program and service, school facility, and school district finance improvements will be gained for students, staff, and the school community as a result of the proposed reorganization agreement. *If the dialogue within and between school district communities is negative, divisive, and dwells on actual or perceived conflicts or differences between cooperating districts, staff, and/or communities, keeping a school open or where the high school will be located, differences in maintenance of school facilities, tax rates, and/or who wins and loses, the chances of long-term success for the cooperation or reorganization agreement are significantly reduced. The success of any cooperation or reorganization agreement is not guaranteed—school district communities must positively work together focusing primarily on what will be gained for students!*

Proposed reorganization agreements include an agreement between the school boards to share programs and services on a part-time basis, an academic pairing agreement to share programs, students, and staff, or an agreement to reorganize school districts through a consolidation, cooperation and combination, or dissolution agreement. It is strongly recommended that advisory committees of parents/citizens, school staff, and board members study and review proposed reorganization agreements, work with the advisory committees of the neighboring districts, report to the school board or joint school board committee and communities, and help implement the agreement. Involving students to help resolve issues relating to reorganization proposals such as school name, colors, mascot, and song is strongly advised.

The following steps suggest procedures for school districts to use in proposing, developing, reviewing, and implementing school district reorganization agreements:

Steps:

- I. School board discusses the need to look at or study school district reorganization alternatives. The basis of the discussion may be a report by an advisory committee, consultant, superintendent, a request from another school district, or through the use of a needs assessment instrument such as the **Indicators of Need For Studying Reorganization Alternatives**.
- II. Request information and assistance, and if desired, a presentation from the Division of Program Finance staff, Department of Education, on school district reorganization alternatives. Pass school board resolution to authorize an overall advisory committee (if not already established) and contacts and discussions with other neighboring districts for the purpose of proposing, discussing, and developing reorganization agreements.
- III. Continuously provide information to parents, citizens, staff, and students on the need for studying school district reorganization alternatives through the local media, public and staff meetings, and newsletters, and well in advance of specific proposals. State clearly the reasons for the proposed study, discussions, and actions (e.g. to improve student programs and services, school facilities, and financial stability), and confirm and reinforce the understandings of all interested parties. Regularly update the school community on the progress in working towards possible reorganization agreements.
- IV. Superintendent and school board members should informally and formally contact neighboring school districts to determine possible common needs and interests in discussing and developing proposed reorganization agreements. Advisory committee members may assist in this process.
- V. With representatives of interested neighboring districts, determine process of discussing and developing proposed reorganization agreements. This may be done at the superintendent or school board level and/or through advisory committee discussions.
- VI. Submit proposed reorganization agreements to the advisory committees for review, comments, and recommendations back to the school board or joint board. Proposed reorganization agreements should be carefully reviewed by all concerned and committees as follows:
 - ____A. list the program and service, staffing, school facility improvements, financial benefits, and other advantages that will likely result from implementing the agreement;
 - ____B. list the program and service, staffing, school facility, student transportation, and/or financial issues and other disadvantages that will likely result from implementing the agreement;
 - ____C. list the most important student, staff, and community benefits for the proposed agreement and important issues that need resolution;

- ____D. if appropriate, sort and rank the proposed agreements from most desirable to least desirable, with reasons identified; and
 - ____E. state your findings about and reasons for or against a proposed reorganization agreement to the committee or school board, ranking proposed agreements if appropriate, and attempt to consensus on the findings, reasons, and rankings for recommending a proposed agreement. More than one agreement with neighboring school districts may be deemed desirable.
- VII. Present recommendations to the school board and/or joint board. Board members should discuss findings, reasons, rankings, and issues to be resolved. Resolutions by school board to further pursue discussion and work out details of one or more proposed agreements, hold further public informational meetings, and report back to school board as appropriate.
- VIII. Report to the school board the results of public meetings, identify any further issues regarding the proposed agreement(s), and recommend timelines for implementing the agreement(s). School board discussion and adoption of the proposed agreement(s) is subject to further consultation with MDE staff or neighboring district(s) if necessary. Pass school board resolutions to implement specific aspects of agreement as appropriate.
- IX. Set up a transformational leadership team members (school board, staff, and community members) to help create, teach, and positively model the new or modified vision/goals for the enlarged school community, and clearly define the desirable features of the reorganization agreement. This team could be a new or existing advisory committee.
- X. Set up a transition advisory committee to make recommendations to the staff and school board on ways to assist students, staff, and community members in adjusting to the changes necessary as a result of the reorganization agreement. Focus groups, staff development, community meetings, and individual counseling and assistance are some of the ways assistance could be provided.
- XI. The implementation of the reorganization agreement should be monitored, working with other ongoing committees (e.g. curriculum, staff development) staff, and school board as appropriate.

Conclusions

Ideally, school districts should begin cooperating with other school districts in small ways (e.g. by sharing staff or special programs). Past successful cooperation efforts and results should then encourage more cooperation programs and if the need arises, a reorganization agreement. At a minimum, school districts should allow one or more years for staff and community preparation and discussion before attempting to implement a school district reorganization agreement.

It is strongly advised that school districts do not wait until they are experiencing severe student program and service, school facilities, and financial difficulties before they inform the school community of the need for a reorganization agreements. School districts experiencing such difficulties are not in a good negotiating position with possible cooperating school districts. Further, without adequate time to educate and prepare the staff and school district community for the transitions involved, implementation of a reorganization agreement will be more difficult, with a much greater likelihood of a contentious transition period and possibly the failure of the entire effort over the short or long term.

The more extensive and comprehensive the reorganization agreement, the greater the need for transformational leadership and for a longer transition period where assistance is provided to groups and individuals to help them make a successful transition. School staff and community members need assistance in identifying positively with the vision and goals of a reorganization agreement, and need support to help them let go of the old and adapt to and accept new organizational models and practices. The greater the staff and community members understand the need for a transition period and the mixed feelings they will likely experience, the smoother a transition experience is likely to be. As the extent of the change and individual staff and school community willingness or ability to deal with change varies, so will the time each needs to effectively process the change and accept it, from enthusiastically to willing to grudgingly to with much difficulty to not at all.

Any perceived big change may be uncomfortable, threatening, confusing, and create anxiety or pain for individuals and the community, and may result in personal and organizational disorientation for varying periods of time. It may be comparable to a grieving process. Hence, the need to set up a transition advisory committee to positively model the new organization structure and attend to transition issues of the staff, organization, and community.

COMMON QUESTIONS ABOUT SCHOOL DISTRICT REORGANIZATION

General

1. Is the Minnesota Department of Education (MDE) - commissioner-legislature-governor, trying to close schools and/or consolidate small school districts?

The decision to close a school or reorganize a school district through a consolidation is most always a local school board and community decision. Statewide school district reorganization efforts are rare and take a long time to succeed. The last statewide school district reorganization in the late 1960's took three state commission studies before legislation was finally passed, and several other proposals since have not been successful. School boards most often make this decision after extensive local school community discussion. The need to continue to provide improved programs and services for students, aging school facilities in need of extensive repairs, upgrades, and replacement, declining student enrollments and revenues, and school district financial problems and operating debt typically drive the decision. Only when a school district fails to file or implement a plan to eliminate school district operating debt may (MDE) require a school district reorganization.

2. What is the ideal school or school district size? Is bigger always better, or small always beautiful?

As part of its mission, MDE works to ensure the success of every learner. MDE staff work with small, medium, and large-sized schools and districts to improve the educational opportunities and achievement of students. Outstanding student programs and services are found in schools and districts of all sizes, as are program deficiencies. Small, medium, and large schools and school districts each have their strengths and limitations. Problems of student achievement, attendance, drugs, and violence are by no means confined to large schools and urban areas. It is more important how a classroom, program, school, or school district is managed, how parents and community members support school and school district efforts, and how well students meet achievement and program goals than the size a school or school district.

High expectations for schools to continue to improve the preparation of students for further education and the world of work confronts schools and school districts of all sizes, and all have limited resources to accomplish those goals. The bottom line is how school communities will work to create, maintain, and improve the school environment for high quality learning and teaching.

3. Why isn't school funding increased so that we don't have to reorganize?

MDE works with the governor and legislature to provide as many dollars for education as possible. School funding has increased, though not as much as many would like to see it increase. Some school districts may be seeing their total revenues decline because of continuing student enrollment declines. There are also strong demands to provide more adequate funding for public safety, health care, human services, corrections, the environment, higher education, and many other state and local programs and services. There always is a

shortage of revenues to fund education and other programs and services at the desired levels. Local communities may also and do provide additional funds for schools through local operating levy referendums.

Where funding is not adequate and improved programs and services are desired, combining the resources of several school districts through the development of a reorganization agreement (e.g. academic pairing, consolidation, or cooperation and combination) is an option that districts should explore. There is no ideal school or school district size or way to organize that is best for every school district. School district reorganization agreements are designed to maintain and improve student programs, services, and achievement, upgrade school facilities, and improve the financial condition of the districts involved, and MDE will continue to support and assist those efforts.

4. Do some school districts have a difficult time implementing academic pairing, consolidation, or cooperation and combination agreements? Can school districts and communities that have not worked well together in the past successfully cooperate, consolidate, or combine?

Yes, and yes! No school district reorganization agreement is developed and implemented without issues and problems. Often school districts have older and outdated school facilities that are expensive to operate and maintain, depriving the district of the opportunity to use those same dollars to improve student programs and services and maintain and improve fewer school facilities. Schools may have to be closed, replaced, demolished, or converted for other uses in the short or long run. Students may have to experience longer bus rides to another school as a trade-off to access improved programs, services, and school facilities. Students typically adjust quickly to changes created by a reorganization agreement, but some staff and more community members may not adjust easily to the changes.

Most, but not all, school district reorganization agreements have been successful from the point of view of improving programs, services, facilities, and finances. Neighboring school district communities, sometimes strong rivals, have cooperatively worked together to develop common purposes and goals and encourage a larger school district community identity. Adequate time and effort needs to be provided for school communities to understand the issues and the alternatives, and to deal with the transitions involved. It takes a dedicated team effort of school staff members, school board members, and parents/citizens to develop and satisfactorily implement any school district reorganization plan.

State policymakers and hopefully all communities are interested in schools that provide quality programs and services for students at a reasonable cost. MDE views school district reorganization agreements as an opportunity to maintain and improve student programs and services, school facilities, and the financial condition of the school districts involved. Reorganization is not an end in itself, but it is an opportunity for neighboring school district communities to pool their resources and better accomplish their goals. If reorganization agreements are to be successful, school district communities must positively work together in the best interest of students despite past differences. *School district reorganization agreements are not successful when many school district community members persist in trying to maintain or return to the status quo organization that is no longer manageable or feasible, keep excess,*

aging, or outdated schools open, blame their new partner for school closings or future difficulties that the former school district could no longer successfully manage, and consistently not support any referendum for improved school district funding or school facilities improvements.

Academic Pairings

1. What are pairing and sharing agreements? Are these permanent? Do they need the approval of MDE or voters?

Academic pairing agreements involve two or more school districts sharing whole grade levels of students and teaching staff. Written agreements must be drawn up which meet the requirements of Minn. Stat. § 123A.30 Agreements For Secondary Education (ASE) or Minn. Stat. § 123A.32 - Interdistrict Cooperation (ICA). These agreements are normally effective for two or more years, are not permanent, and are renewable by the involved districts' school boards.

No. MDE does not approve the agreements, but copies must be provided to MDE for review. Any referendum must be authorized by statute. Minnesota statutes authorize school boards to enter into academic pairing agreements, but do not authorize any public vote on an ASE or ICA.

Pairing and sharing in athletic/cocurricular activities may or may not be part of an academic pairing agreement. Pairing and sharing in athletic/cocurricular activities is under the jurisdiction of the Minnesota High School League, and school districts must meet their timelines and requirements.

2. What are the differences between an Agreement for Secondary Education and an Interdistrict Cooperation Agreement?

An ASE may be used to share students and staff in grades 7-12 only, an ICA in grades K-12. The district that sends students to another district in an ASE must have less than 375 students in grades 7-12. Districts must draw up a plan for the employment of licensed staff in an ASE, and seniority does not apply. In an ICA, a joint seniority list of licensed staff applies unless otherwise negotiated by the unions and school boards. Licensed teaching staff who are placed on unrequested leave as a result of an ASE receive a year's severance pay if not employed in a comparable position by the end of the school year following their lay off. This severance pay requirement does not apply to an ICA.

3. Does an academic pairing agreement take precedence over an open enrollment request?

No. Whenever the school attendance area of a district is altered for the next school year through any reorganization agreement (academic pairing, consolidation, cooperation and combination), parents have until July 1 to apply for open enrollment in another school district.

4. Is there a required student tuition rate or formula in an academic pairing agreement?
Can a school district tuition out all its students to neighboring districts and still remain a school district?

There is no required tuition formula. The tuition rate is negotiable between the districts. MDE program finance staff will assist districts in working out alternative revenue or expense-based tuition formulas. No. A school district must maintain at least three grades in local school district facilities to remain an independent school district.

5. Does seniority apply to the continuing employment of superintendents and principals?

A superintendent may be chosen by cooperating districts on any basis with the agreement of the involved school boards. Principals have continuing contract rights as per local collective bargaining agreements.

6. Are academic pairing agreements involving two or more neighboring districts allowed?

Districts are not limited to agreements with just one neighboring district. When school district size, geography, parent preference, conditions of school facilities, or other conditions necessitate, districts should strongly consider one or more agreements involving several neighboring districts. Under those circumstances, if a school board chooses to pair with only one neighboring district, considerable parent/citizen dissatisfaction may result, increasing open enrollment out of the school district, and weakening the financial strength of the new academic pairing agreement.

School District Reorganization through Consolidation, Cooperation and Combination, or Dissolution and Attachment

1. How do you organize a new school district? Could we take part of our existing district that has grown in population and create a new school district?

A new school district may be created through a consolidation or through the cooperation and combination of two or more school districts. To create a new school district out of an existing one is not authorized under statute; however, two or more districts could agree to consolidate part of each district, thus creating a third new district. Otherwise, special legislation would be required.

2. Our school district student enrollments have declined, school facilities are in need of extensive upgrading, and we do not have enough funds to provide adequate student programs and services. Yet, the school board will not face up to reality and pair, consolidate, or combine with a neighboring district. Is there any way citizens can reorganize their school district without school board approval? Could the state mandate a reorganization?

Yes. First, try to convince fellow citizens, school staff, and school board members of the wisdom of your point of view. Work to elect new school board members that share your point of view. Citizens may propose a dissolution and attachment that does not require school board approval.

A dissolution may be started through a county board resolution, a referendum authorized by the school board, or a petition signed by a majority of eligible voters. Please keep in mind that a dissolution does not create a new school district with a new number. When a district dissolves and attaches itself to one or more neighboring districts, the result is one or more enlarged districts, and the dissolving district ceases to exist.

In a consolidation process, if a school board is unable to obtain a majority vote to accept or reject a consolidation plat/plan, citizens may petition for an election to accept or reject the plat/plan. In rare circumstances, the state (MDE) could mandate a consolidation or cooperation and combination if a district is in severe operational debt and does not file an acceptable plan or satisfactorily implement the plan to eliminate the debt.

3. How long does it take to reorganize a school district? Is a reorganization plan required, and are there deadlines for submitting the plan?

A consolidation and/or dissolution and attachment process takes at least five or more months to complete. A cooperation and combination takes from one to three years to complete.

Though a planning process is not required in statute, one or more years of planning and involvement of staff and citizens is recommended before beginning the process of consolidation or dissolution and attachment. As part of the consolidation plat/plan or dissolution order, resolutions from the school boards or county board must address issues such as existing bonded and/or operational debt, and operating levy referendums. Developing and implementing a cooperation and combination plan requires more detailed planning and involvement of staff and citizens than in a consolidation or dissolution.

4. Is a vote required in a consolidation, combination, or dissolution? How many times can we have a consolidation or combination vote? May a school district reorganization be reversed later on if we don't like how it is going? Can a citizen petition out of a district if he doesn't like the reorganization?

A citizen vote is optional in a consolidation, where it may or may not be called for by all participating school boards or by citizen petitions in one or more school districts. With the exception of the situation described in #2 above, if a school board or citizen consolidation vote fails to support the consolidation proposal in any of the participating districts, the consolidation process is terminated and the districts would have to begin the consolidation process again to have another school board or citizen vote. School board and citizen votes are required in all districts involved in a proposed combination, and a participating district may have a second citizen vote if their first vote failed. If the second vote in any district fails, a third vote on a modified plan may be held in all the districts. A vote in a dissolution and attachment is

necessary only if the proposed division of land between two or more neighboring districts is altered by the county board.

No. The only way to alter current school district boundaries would be through another reorganization with other school districts.

Only citizens residing on the border of a district may file a petition under Minn. Stat. § 123A.45 Detachment and Annexation to detach border properties or any neighboring parcels that are also part of the petition and annex them to another school district. This petition requires the approval of the resident district school board from which the land is proposed to being detached. This approval is not often granted, and there is no appeal of that school board decision.

5. Must our district's residents help pay off another district's operational or bonded debt if we consolidate or combine with them? What about operating levies?

Not unless by agreement of the school boards involved. Typically, most consolidation or combination plans call for pre-existing school districts to pay off their own existing debt. After the effective date of reorganization, any new operating or bonded debt becomes a responsibility of all of the residents of the reorganized school district. Operating levies are combined and likewise become the responsibility of all of the residents.

6. In our reorganized district we would like equal numbers of school board members elected from election districts matching pre-existing school district boundaries. Can we do this?

It would not be impossible, but it would not likely meet statutory requirements. There may be single, multi-member, at large, or a combination of election districts in an election district plan. There must be six or seven school board members, the election districts must be roughly equal in eligible voters (one person, one vote), boundaries must be drawn according to township, city, or precinct boundary election lines, candidates must reside in the election district, and each citizen can only vote for school board member candidates from their resident election district.

Both consolidation and cooperation and combination provide for a transition school board that permits a combined school board for 3-5 years after the effective date of the consolidation or combination. An orderly reduction plan for the school board must be submitted to the secretary of state's office for review and comment.

7. In a consolidation or combination, what happens to secretaries, cooks, bus drivers, teacher aids, whether in a union or not? Do these employees have any seniority rights?

Yes, if seniority rights are covered by a contract in a pre-existing district. Otherwise, non-licensed staff positions are dealt with through an employment plan approved by the new consolidated or combined school district board. It is the intent of the statutes that non-licensed staff be treated fairly in a consolidation or combination.

8. Please clarify the funding for consolidation and cooperation and combination.

Consolidation currently provides transition revenues of \$300 per pupil unit (ppu), up to 1,500 pupil units during the first two years of the consolidation.

Though the cooperation and combination statute is still in effect, the funding formula for new cooperation and combination plans after 1994 was repealed. Legislative staff reported in 2001 that legislators of both parties in the House and Senate were very receptive to funding new school district cooperation and combination plans if they were brought before the legislature. Under the old funding formula, cooperation and combination provided participating districts with approved cooperation and combination plans up to \$600 per pupil units served (not resident pupil units) over four years of (a) cooperation (one or two years) and (b) combination (one, two, three, or four years). Like consolidating districts, combining districts can also make early retirement, transition, and severance and operating debt levies, if so desired.

9. If a district is divided through a dissolution and attachment or consolidation with two or more districts, what happens to the buildings and staff? The assets and liabilities of the district?

Licensed and non-licensed staffs are divided between the enlarged districts on the basis of a combined seniority list according to the ratio of resident students assigned to each enlarged district. The buildings become the property of the enlarged district within which they are newly located. Assets and liabilities are divided between the enlarged districts through an order issued by the commissioner.

10. In a reorganization, what teacher contract applies if one contract is not agreed upon prior to the effective date of the reorganization? Are the features of both contracts automatically effective?

By mutual agreement of the school boards and teacher associations, either or both of the pre-existing contracts may apply until a successor agreement is negotiated. If the effective date of the reorganization is July 1 of an even-numbered year, each of the respective contracts that applied to teachers in the pre-existing districts still apply; in an odd-numbered year, the contract of the pre-existing district with the largest number of teachers employed applies.

No. The terms and conditions of the new contract are negotiable between the exclusive bargaining agent and the school board of the reorganized district.

11. Has the commissioner ever not approved a reorganization plan under consolidation, cooperation and combination, or dissolution and attachment?

The commissioner normally approves all consolidation, cooperation and combination, and dissolution and attachment plans/provided all legal requirements are met. A few cooperation and combination plans were not approved by the commissioner because they failed to meet all requirements, and/or the school site plan was inefficient, and/or the budget did not adequately improve programs and services, and/or the involvement of other school districts, staff, and parents/citizen were inadequate, and/or the proposed combination appeared to be educationally unsound and unsustainable.