

**DRAFT**

Barriers to Consolidation Conference Call  
March 22, 2004  
Governor's Office  
12:30 PM

Participants: John McNeil, Joan Anderson (subbing for Bud Williams), Tonia Bloom, Scott Seilstad, Kris Goss

**Technical Issues Related to Consolidation That May Serve as Barriers**

**1. Lack of clarity in law with regards to consolidation of K-12 districts**

Needed Clarifications in the Law: K-12's combining: Tonia, Debra Silk and OPI will examine and report.

**2. Lack of clarity in law about appointment of new school board for high school or K-12 consolidations**

District Governance after Consolidation Occurs: Need to have joint board with full power immediately after vote occurs. Needs to be limited to one year. Complete Replacement of appointment process.

**3. Lack of clarity in law about effective date of dissolution of existing districts and formation of new consolidated district**

Dissolution of existing districts: July 1<sup>st</sup>

**4. Lack of clarity in law with regards to the duties and responsibilities of new and old boards of trustees during transition period**

New Boards/Old Boards: Old Boards stay until July 1<sup>st</sup> to finish fiscal year. New Board begins work right away on business resulting for new board. Joan will check current duties and apply them to OB and NB

**5. Lack of clarity in law about the status of building reserve and technology levies in the event of a consolidation**

Building Reserves, tuitions, and Technology Levies: Belong to new district. Enlarged district absorbs debt of both districts.

**6. Lack of clarity in law about tenure and bargaining status of successor district**

Bargained agreements: Examine successful consolidation efforts. Scott will contact MTSBA to organize meeting of the staff attorneys at MTSBA and MEA-MFT. Tenure rights a part of that discussion.

**7. Clarification is needed that a non-operating district may only combine with another contiguous operating district**

Combination of Non-operating district: Must be with an adjacent/contiguous and operating district

**Possible Barriers to Consolidation Resulting from Current Structures of Governance, Taxation and Funding**

**1. Is the existence of two separate processes for combining districts (annexation and consolidation) a barrier?**

Must continue to offer annexation and consolidation

**2. Is the option of consolidating or annexing with or without assumption of bonded indebtedness a barrier?**

Bonded Indebtedness: No “Pre-nuptial agreement” – assume the debt of both districts in both annexation and consolidation

**3. Is the requirement for a vote a barrier to consolidation?**

Require a vote: A public vote is necessary

**4. Would it be a good idea to allow a period of time during which “deconsolidation” could occur?**

Deconsolidation: no. separation of co-mingled items would be difficult.

**5. Does the phasing out of two basic entitlements over 6 years for a consolidated district work against consolidation?**

Phase out of Basic Entitlements over 6 years: Retain phase out.

**6. Does the current school funding structure (especially the basic entitlement) constitute a disincentive for districts to combine?**

Does current school funding system constitute a disincentive: Yes, no specific idea to remedy for basic entitlement.

**7. Would creating a joint board for a period of time for consolidated or annexed districts encourage combining?**

Joint Boards: Yes Need to have joint board with full power immediately after vote occurs. Needs to be limited to one year. Complete Replacement of appointment process.

**8. Would it be advisable to allow an independent elementary district to combine with a neighboring K-12 district?**

Elementary Joining K-12: rare occurrence

**9. Do the tax base inequities between districts create a barrier to consolidation and annexation?**

Tax Base in equities: Other working Group

**10. Next Steps**

Conference call on April 19, 2004, tentatively  
Bargained Contracts Meeting MTSBA/MEA-MFT  
Joan Anderson, OPI review duties of trustees