

During public hearings, the Commission heard testimony regarding the cost of duplication of services between small school districts.

Consolidation has been identified as one option to reduce costs for small school districts. However, for some districts, they may not wish to consider consolidation to a large geographic area that would require pupils to spend significant time being transported to school, or because of the role of the school in the local community, or other reasons. For those districts, sharing administrative positions might be an alternative that would allow them to realize some of the cost savings of consolidation while still maintaining independent school districts.

Under 2017 Assembly Bill 64/Senate Bill 30 (the 2017-19 biennial budget bill), a shared services incentive categorical aid program was approved by the Legislature that would have provided funding to districts that shared the services of certain administrative positions. Under the program, two or more school districts could qualify for aid based on the following amounts for each position shared, with no limit to the number of positions that could be shared: (a) for a district administrator, \$40,000; (b) for a human resources director, information technology coordinator, or business manager, \$22,500; (c) for any other non-faculty administrative position, excluding principals and assistant principals, \$17,500. Aid would be paid in full for the first three school years of the plan, with a 50% payment in year four, and no payment in the fifth year. The proposal was deleted from Act 59 through a gubernatorial veto.

**ALTERNATIVES**

1. Recommend creating a categorical aid incentive for districts that choose to share administrative positions such as human resources director, IT coordinator, or business manager. Provide \$2 million GPR annually for the program.

<b>ALT 1</b>	<b>2019-20</b>	<b>2020-21</b>
GPR	\$2,000,000	\$2,000,000