



**STATE OF MAINE
124th LEGISLATURE
SECOND REGULAR SESSION**

**REPORT TO THE LEGISLATIVE COUNCIL
on
MAINE DEPARTMENT OF
EDUCATION PROGRAM FUNDING**

A staff report prepared by the Office of Policy and Legal Analysis
and the Office of Fiscal and Program Review

November 3, 2010

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Executive Summary

Following the adjournment of the Second Regular Session of the 124th Legislature, the leadership of the Joint Standing Committee on Education and Cultural Affairs (Education Committee), including Senator Justin Alford, Representative Patricia Sutherland and Representative David Richardson, submitted a request to the Legislative Council seeking authorization for a comprehensive review of Maine Department of Education (Maine DOE) program funding. During its July 2010 meeting, the Legislative Council approved the request and directed the nonpartisan legislative staff to conduct the study and report their findings and recommendations to the Legislative Council no later than November 3, 2010. The Executive Director of the Legislative Council subsequently assigned nonpartisan staff from the Office of Policy and Legal Analysis (“OPLA”) and the Office of Fiscal and Program Review (“OFPR”) to conduct the staff study.

Background

During the initial stage of the study, OPLA and OFPR staff discussed various methods in which to obtain the information necessary to provide the Legislature with a complete and thorough understanding of the programs and services provided by the Department of Education, the population and/or constituencies that received those programs and services and the financial and human resources that are expended or anticipated to be expended in order to deliver them. After reviewing several approaches, it was decided to utilize the format of the Department of Education’s 2007 Program Evaluation Report transmitted by the Maine DOE to the Legislature pursuant to the Government Evaluation Act (GEA) and to add a section to include actual and budgeted expenditure data for each program included in the GEA. Following that initial research by OPLA and OFPR, requests were made to the appropriate agencies for additional information on expenditure data and on the program descriptions, population and/or constituencies served, staff resources and program evaluation data necessary to complete this report.

Program Summaries

The Maine DOE program accounts summarized in this review include eight major program categories consisting of 53 specific programs administered by the Maine DOE. In this report, we present individual program summaries for these program accounts using the framework of the Maine DOE Team structure, comprised of the following eight major categories:

- Leadership Team;
- Pre-K to 20 Curriculum, Instruction and Assessment Team, including the Maine Comprehensive Assessment System programs;
- Federal and State Program Services Team;
- Special Services Team;
- School Finance and Operations Team, including the General Purpose Aid for Local Schools (GPA) program;
- Learning Through Technology Programs;

- Education in the Unorganized Territories; and
- Teacher Retirement Programs.

The key elements of this review of Maine DOE program funding included: (1) the purpose of the program; (2) the population served by the program; (3) Appropriation and allocation data an actual or budgeted expenditure data for all funding sources; (4) DOE leadership and staff support for the program; and (5) performance-related data collected or reported for the program.

Recommendations

Based on our examination of the Maine DOE program funding information compiled during this study, we propose several recommendations regarding certain issues that merit further consideration by the 125th Legislature. These recommendations are presented in the context of our endeavor to provide legislators with useful descriptions of the programs administered by Maine Department of Education (Maine DOE) and accurate snapshots of the funding allocated to Maine DOE program accounts. These issues are referenced below and are discussed in more detail in the body of this report.

We recommend that the following issues pertaining to Maine DOE program funding be considered by the 125th Legislature. Each of these recommendations is discussed in more detail in the body of this report.

1. Mapping DOE “Budgetary Program Accounts.” We recommend that the Legislature refine the existing program account structure -- sometimes referred to by Maine DOE as the “chart of accounts” -- utilized by Maine DOE so that legislators and Maine DOE officials can work from a common “road map” when deliberating on budget initiatives related to Maine DOE budgetary program accounts. Developing such a “road map” can improve the capacity of the Legislature to hold the Maine DOE accountable for the funding appropriated and allocated to department programs.

2. Alignment of DOE Teams with “Budgetary Program Accounts.” Program funding information provided by DOE personnel for the DOE organizational structure “on the ground” in the fall of 2010 is somewhat different from the DOE organizational and program structure that was presented in the Governor’s budget bills during the 2010-2011 biennium and authorized by the Legislature during the 124th Legislature. We recommend that a uniform and consistent system of budgetary program accounts should be developed that aligns legislatively authorized accounts with the programs, initiatives and other activities that the DOE identifies under its “chart of accounts” for “DOE Team programs.”

3. Transparency of Program and Financial Information. We recommend that a uniform and consistent system for reporting financial information at the program and sub-program levels be established for the DOE. Legislators should have access to the same level of expenditure data as executive branch officials, particularly given that legislators have oversight responsibilities for the expenditure of public resources. Providing greater access to data in the Budget and Financial Management System would allow the Legislature to compare expenditure

data with approved allocation data and should result in increased accountability for state spending.

4. Transparency in Reporting Personnel and Staffing Information for DOE

Programs. Greater transparency and accuracy needs to be provided for DOE position counts, including how DOE personnel are allocated across DOE Teams to administer certain programs and sub-programs. For a number of DOE programs, DOE needs to clarify position counts and how sub-programs are staffed and funded. With respect to the assignment and distribution of DOE funding and staffing resources related to agency programs funded by Federal Expenditure Funds, we recommend that the DOE adopt a cost allocation system, similar to a system developed by the Maine Department of Labor, for assigning program account funds and staffing resources to distinct sub-programs, activities and initiatives that may cross existing DOE Teams.

5. Collecting and Reporting of Performance-related Data. We recommend that the Legislature consider requiring the Maine DOE to provide performance-related data as part of their requests for State General Fund appropriations.

6. Further Review of Maine DOE Program Funding Issues. Legislation, including changes to Maine statutes, may be required if the Legislature is unable to get a more firm grasp of the issues discussed above that merit further consideration. We recommend that the legislators appointed to the committee having jurisdiction over education matters in the 125th Legislature should consider introducing legislation to continue examining these important issues. One option available to the Legislature to continue this work and more fully examine some of these issues would be to direct the Maine DOE to prepare an updated Program Evaluation Report under the requirements of the Government Evaluation Act, to be reviewed by the committee during the Second Regular Session of the 125th Legislature.

This report should be considered a “work in progress” on a process that will require ongoing research and analysis to address areas that could not be fully addressed in the time allowed and to establish a process for continually updating the information as the budget and the administrative structure of the department change over time. Additionally, we intend to provide the joint standing committee having jurisdiction over education matters in the 125th Legislature will a graphical overview of this information to facilitate a greater ease in understanding the complex relationships outlined in this report and draft legislation to implement these recommendations.