

# MAINE STATE LEGISLATURE

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L.D. 1918

Date: 2/13/20

(Filing No. H- 681)

**EDUCATION AND CULTURAL AFFAIRS**

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**STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
129TH LEGISLATURE  
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 1366, L.D. 1918, Bill, "An Act To Amend the Laws Regarding the Reserve Funds of Certain School Organizational Structures"

Amend the bill by striking out everything after the enacting clause and inserting the following:

**Sec. 1. 20-A MRSA §1312, sub-§1**, as amended by PL 1989, c. 132, §2, is further amended to read:

**1. Establishment.** A school administrative district may establish a reserve fund for school construction projects, financing the acquisition or reconstruction of a specific or type of capital improvement ~~or~~, financing the acquisition of a specific item or type of capital equipment or any of the expenditures listed under section 1485, subsection 1, paragraph A by including a request in the district budget, which must include a description of the purpose of the reserve fund, and receiving voter approval. The board of directors ~~shall be~~ is the trustee of the reserve fund. The reserve fund ~~shall~~ must be deposited or invested by the treasurer under the direction of the board.

**Sec. 2. 20-A MRSA §1312, sub-§3**, as enacted by PL 1981, c. 693, §§5 and 8, is amended to read:

**3. Expending moneys money from reserve funds.** The board of directors may expend the sum in the reserve fund when authorized to do so by a vote of the district at a district meeting or a district budget meeting, when an article for that purpose is set out in the warrant calling the meeting, ~~except that the board of directors may expend funds from a reserve fund by a vote of the board in accordance with the procedure in subsection 4:~~

A. In the event of an emergency that requires the immediate expenditure of funds and when, in responding to the emergency, a vote of the district for permission is cost-prohibitive; or

B. When such an expenditure is required by law.

**COMMITTEE AMENDMENT**

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**Sec. 3. 20-A MRSA §1312, sub-§4** is enacted to read:

**4. Procedure for expending money from reserve funds by vote of board.** The procedure for the board of directors to expend funds from the reserve fund pursuant to subsection 3, paragraph A or B must be as follows.

A. The board of directors shall provide public notice of the regular or special meeting at which the vote to expend funds from the reserve fund will be taken.

B. The board of directors shall hold a public hearing prior to the vote to expend funds from the reserve fund.

C. The vote to expend funds from the reserve fund must be recorded in the meeting minutes of the board of directors.

**Sec. 4. 20-A MRSA §1491, sub-§1**, as enacted by PL 2007, c. 240, Pt. XXXX, §13, is amended to read:

**1. Establishment.** A regional school unit may establish a reserve fund for school construction projects, financing the acquisition or reconstruction of a specific or type of capital improvement or, financing the acquisition of a specific item or type of capital equipment or any of the expenditures listed under section 1485, subsection 1, paragraph A by including a request in the regional school unit budget, which must include a description of the purpose of the reserve fund, and receiving voter approval. The regional school unit board is the trustee of the reserve fund. The reserve fund must be deposited or invested by the treasurer of the regional school unit under the direction of the regional school unit board.

**Sec. 5. 20-A MRSA §1491, sub-§3**, as enacted by PL 2007, c. 240, Pt. XXXX, §13, is amended to read:

**3. Expending money from reserve funds.** The regional school unit board may expend the sum in the reserve fund when authorized to do so by a vote of the regional school unit at a regional school unit meeting or a regional school unit budget meeting when an article for that purpose is set out in the warrant calling the meeting, except that the regional school unit board may expend funds from a reserve fund by a vote of the board in accordance with the procedure in subsection 4:

A. In the event of an emergency that requires the immediate expenditure of funds and when, in responding to the emergency, a vote of the regional school unit for permission is cost-prohibitive; or

B. When such an expenditure is required by law.

**Sec. 6. 20-A MRSA §1491, sub-§4** is enacted to read:

**4. Procedure for expending money from reserve funds by vote of board.** The procedure for the regional school unit board to expend funds from the reserve fund pursuant to subsection 3, paragraph A or B must be as follows.

A. The regional school unit board shall provide public notice of the regular or special meeting at which the vote to expend funds from the reserve fund will be taken.

B. The regional school unit board shall hold a public hearing prior to the vote to expend funds from the reserve fund.

1 C. The vote to expend funds from the reserve fund must be recorded in the meeting  
2 minutes of the regional school unit board.

3 **Sec. 7. 20-A MRSA §1706, sub-§1**, as enacted by PL 1989, c. 132, §3, is  
4 amended to read:

5 **1. Establishment.** A community school district may establish a reserve fund for  
6 school construction projects, financing the acquisition or reconstruction of a specific or  
7 type of capital improvement or, financing the acquisition of a specific item or type of  
8 capital equipment or any of the expenditures listed under section 1485, subsection 1,  
9 paragraph A by including a request in the district budget, which must include a  
10 description of the purpose of the reserve fund, and receiving voter approval.

11 The district school committee ~~shall be~~ is the trustee of the reserve fund. The reserve fund  
12 ~~shall~~ must be deposited or invested by the treasurer under the direction of the school  
13 committee.

14 **Sec. 8. 20-A MRSA §1706, sub-§3**, as enacted by PL 1989, c. 132, §3, is  
15 amended to read:

16 **3. Expending money from reserve funds.** The district school committee may  
17 expend the sum in the reserve fund when authorized to do so by a vote of the district at a  
18 district meeting or a district budget meeting, when an article for that purpose is set out in  
19 the warrant calling the meeting, except that the district school committee may expend  
20 funds from a reserve fund by a vote of the committee in accordance with the procedure in  
21 subsection 4:

22 A. In the event of an emergency that requires the immediate expenditure of funds  
23 and when, in responding to the emergency, a vote of the district for permission is  
24 cost-prohibitive; or

25 B. When the expenditure is required by law.

26 **Sec. 9. 20-A MRSA §1706, sub-§4** is enacted to read:

27 **4. Procedure for expending money from reserve funds by vote of committee.**  
28 The procedure for the district school committee to expend funds from the reserve fund  
29 pursuant to subsection 3, paragraph A or B must be as follows.

30 A. The district school committee shall provide public notice of the regular or special  
31 meeting at which the vote to expend funds from the reserve fund will be taken.

32 B. The district school committee shall hold a public hearing prior to the vote to  
33 expend funds from the reserve fund.

34 C. The vote to expend funds from the reserve fund must be recorded in the meeting  
35 minutes of the district school committee.

36 **Sec. 10. 20-A MRSA §8468, sub-§1**, as corrected by RR 1991, c. 2, §64 and  
37 amended by PL 2003, c. 545, §5, is further amended to read:

38 **1. Establishment.** A career and technical education region may establish a reserve  
39 fund for a school construction project, the acquisition or reconstruction of a specific item  
40 or type of capital improvement or, the acquisition of a specific item or type of capital  
41 equipment or any of the expenditures listed under section 1485, subsection 1, paragraph

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A by establishing such a reserve fund including a request in the region budget, which must include a description of the purpose of the reserve fund, pursuant to this chapter. The cooperative board is the trustee of such a reserve fund.

**Sec. 11. 20-A MRSA §8468, sub-§3**, as amended by PL 1991, c. 518, §32, is further amended to read:

**3. Expending money from a reserve fund funds.** The cooperative board may expend a sum in a reserve fund if permitted by the conditions of any indebtedness secured by the reserve fund and if approved in the region budget. A separate article for that purpose must be included in the region budget proposal. The cooperative board may expend funds from the reserve fund by a vote of the board without the expenditure's having to be included in the region budget or region budget proposal in accordance with the procedure in subsection 4:

A. In the event of an emergency that requires the immediate expenditure of funds and when, in responding to the emergency, a vote of the region for permission is cost-prohibitive; or

B. When the expenditure is required by law.

**Sec. 12. 20-A MRSA §8468, sub-§4** is enacted to read:

**4. Procedure for expending money from reserve funds by vote of board.** The procedure for the cooperative board to expend funds from the reserve fund pursuant to subsection 3, paragraph A or B must be as follows.

A. The cooperative board shall provide public notice of the regular or special meeting at which the vote to expend funds from the reserve fund will be taken.

B. The cooperative board shall hold a public hearing prior to the vote to expend funds from the reserve fund.

C. The vote to expend funds from the reserve fund must be recorded in the meeting minutes of the cooperative board.'

Amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

**SUMMARY**

This amendment adds to what a reserve fund may be established for to include providing funds for expenditures such as regular instruction, special education, career and technical education, other instruction including summer school and extracurricular instruction, student and staff support, system administration, school administration, transportation and buses, facilities maintenance, debt service and other commitments and other expenditures, including school lunch.

The amendment also adds that, in order to expend funds by a vote of the boards or committees of school administrative districts, regional school units, community school districts and career and technical education regions, the respective boards and committees must provide public notice of the meeting at which the vote to expend funds from the

COMMITTEE AMENDMENT <sup>A</sup> " to H.P. 1366, L.D. 1918

1 reserve fund will be taken and hold a public hearing prior to the vote to expend funds  
2 from the reserve fund.

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**FISCAL NOTE REQUIRED**

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**(See attached)**

**COMMITTEE AMENDMENT**



Revised: 02/04/20 *MCC*

# 129th MAINE LEGISLATURE

LD 1918

LR 2676(02)

## An Act To Amend the Laws Regarding the Reserve Funds of Certain School Organizational Structures

Fiscal Note for Bill as Amended by Committee Amendment

Committee: Education and Cultural Affairs

Fiscal Note Required: Yes

*(ACH-681)*

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### Fiscal Note

Minor cost increase - certain school units

#### Fiscal Detail and Notes

Additional costs to those school administrative districts, regional school units, community school districts and career and technical education regions that have a reserve fund to implement the requirements of this legislation can be absorbed within existing budgeted resources.