

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND NINTH LEGISLATURE

Legislative Document

No. 747

H. P. 591

House of Representatives, February 23, 1979

On Motion of Mr. Conley of Portland referred to the Committee on Education.
Sent up for concurrence and ordered printed.

EDIWN H. PERT, Clerk

Presented by Mr. Cunningham of New Gloucester.

Cosponsor: Mr. Leighton of Harrison.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-NINE

**AN ACT to Revise the Method of Allocation of Educational Subsidies to Local
Units.**

Be it enacted by the People of the State of Maine, as follows:

Sec. 1. 20 MRSA c. 515, as enacted by PL 1977, c. 625, § 8 and as amended, is repealed.

Sec. 2. 20 MRSA c. 516 is enacted to read:

CHAPTER 516

THE SCHOOL FINANCE ACT OF 1979

§ 4771. Short title

This chapter may be cited as the "School Finance Act of 1979."

§ 4772. Intent

1. **Contribution from General Fund.** It is the intent of the Legislature to provide at least 50% of the total education operating costs, 100% of special education and vocational education costs and 50% of transportation and debt service costs from General Fund revenue sources.

2. **Transportation costs for nonprofit private schools.** It is the intent of the Legislature to reduce the transportation costs incurred on behalf of the nonprofit private schools in this State by reducing those costs to the extent and in the manner permitted by section 4780, subsection 6.

§ 4773. Definitions

As used in this chapter, unless the context otherwise indicates, the following terms shall have the following meanings.

1. **Actual education costs.** “Actual education costs” shall mean the state and local expenditures during the base year for the programs and adjustments specified in section 4774.

2. **Average elementary per pupil operating costs.** “Average elementary per pupil operating costs” shall be computed by dividing elementary operating costs for the base year by the average number of resident elementary pupils on October 1st and April 1st in the base year.

A. **Special education students for whom tuition is paid in programs approved by the commissioner shall not be counted nor otherwise included in determining the average elementary per pupil operating costs.**

3. **Average secondary per pupil operating costs.** “Average secondary per pupil operating costs” shall be computed by dividing secondary operating costs for the base year by the average number of resident secondary pupils on October 1st and April 1st in the base year.

A. **Special education students for whom tuition is paid in programs approved by the commissioner shall not be counted nor otherwise included in determining the average secondary per pupil operating costs.**

B. **Any student graduating from grade 12 during the base year prior to April 1st shall be counted as though he were in attendance on April 1st of that year.**

4. **Base year.** “Base year” means the 2nd year prior to the year of allocation of funds.

5. **Basic elementary per pupil operating rate.** “Basic elementary per pupil operating rate” shall mean the rate established by the Legislature in section 4777, subsection 1.

6. **Basic secondary per pupil operating rate.** “Basic secondary per pupil operating rate” shall mean the rate established by the Legislature in section 4777, subsection 2.

7. **Debt service costs.** “Debt service costs,” for subsidy purposes, shall include:

A. **Principal and interest costs for approved major capital projects;**

B. **The portion of the tuition costs applicable to the insured value factor computed under section 1292; and**

C. Lease costs for school buildings when the leases have been approved by the commissioner.

8. Elementary grades. "Elementary grade" shall include a childhood educational program, as defined by section 859, through grade 8.

9. Institutional resident. "Institutional resident" shall mean any person between the ages of 5 and 20 who is attending a public school of the administrative unit and who is committed or otherwise legally admitted to, and residing at, any state-operated institution. This shall not include students attending private facilities, regardless of the means of placement.

10. Local allocation. "Local allocation" shall mean each administrative unit's portion of the state-local allocation.

11. Major capital costs. "Major capital costs" shall include all costs relating to school construction projects as defined in section 3471.

12. Minor capital costs. "Minor capital costs" shall include all costs which are related to maintenance of plant and minor remodeling and shall be a part of operating costs.

A. Administrative units are authorized, with approval of the legislative body, to arrange financing for maintenance of plant and minor remodeling;

(1) Funds expended to repay funds borrowed for maintenance of plant and minor remodeling shall be considered minor capital costs in the year which these funds are repaid.

B. Administrative units are authorized to establish a capital reserve fund for maintenance of plant and minor remodeling.

C. Minor capital costs shall not include construction of new buildings or the purchase of land.

13. Municipality. "Municipality" shall include all cities, towns and organized plantations.

14. Operating costs. Except as listed in this subsection, "operating costs" shall include all costs minus applicable tuition receipts. The following costs shall not be included as "operating costs:"

A. Transportation costs;

B. Community service costs;

C. Major capital costs;

D. Debt service costs;

E. Expenditures from all federal revenue sources except for amounts received under Federal Public Law 874;

F. Special education programs defined in subsection 16;

G. Vocational education programs defined in subsection 17; and

H. Costs of maintaining:

- (1) The Governor Baxter School for the Deaf;**
- (2) The Maine Youth Center;**
- (3) The schools in the unorganized territories as defined by section 1451; and**
- (4) The Indian schools operated pursuant to Title 22, section 4719.**

15. Secondary grades. "Secondary grades" shall mean grades 9 through 12.

16. Special education costs. "Special education costs," for subsidy purposes, shall include:

- A. The costs of certified professionals, assistants and aides or persons contracted to perform a special education service; and**
- B. The costs of tuition and board to other schools for programs which have been approved by the commissioner.**

17. Vocational education costs. "Vocational education costs," for subsidy purposes, shall include all costs incurred by the vocational regions, centers or satellites, in providing approved secondary school vocational education programs as defined by section 2356-A, subsection 3.

18. Year. "Year" means a fiscal year starting July 1st and ending June 30th of the succeeding year.

19. Year of allocation. "Year of allocation" shall mean the year for which funds are appropriated under this chapter.

§ 4774. Notification of actual education costs; other information; unit reports mandatory; audit adjustments

1. Notification; items. Prior to December 1st of each year, the commissioner shall notify the Legislature and the Bureau of the Budget of actual education costs. This notification shall include the following items:

- A. Elementary operating costs;**
- B. Secondary operating costs;**
- C. Special education costs for programs operated by the administrative units;**
- D. Special education tuition and board, excluding medical costs, defined as follows:**

- (1) Tuition and board for pupils placed by administrative units;**
- (2) Tuition and board for pupils placed directly by the State in accordance with rules and regulations adopted by the commissioner and special education tuition and other tuition for institutional residents of state-operated**

institutions attending programs in administrative units in accordance with rules and regulations adopted by the commissioner; and

(3) Adjustment under section 4779, subsection 5;

- E. Vocational education costs;**
- F. Transportation costs;**
- G. Debt service costs;**
- H. Costs of unusual enrollment adjustments;**
- I. Costs of geographic isolation adjustments;**
- J. Cost of adjustments for small administrative units;**
- K. Costs of reimbursement for private school transportation;**
- L. State expenditures for each of paragraphs C to K;**
- M. Audit adjustments; and**
- N. Local funds raised under section 4772.**

2. Additional information. The commissioner shall provide any additional information as requested by the Legislature.

3. Unit reports required; subsidy payments withheld. Each administrative unit shall provide the commissioner with any information he deems necessary to carry out this chapter according to time schedules which he shall establish.

A. The commissioner is granted the authority to withhold monthly subsidy payments from any administrative unit when information is not filed within specified time schedules.

4. Audit adjustments. The commissioner shall have the authority to correct errors revealed by audit in administrative units when compiling actual education costs.

§ 4775. Commissioner's recommendation for funding levels; computations; guidelines

1. Annual certification. Prior to January 15th of each year, the commissioner, with the approval of the State Board of Education, shall certify to the Bureau of the Budget the funding levels he recommends for section 4774, subsection 1, paragraphs A to K and M.

2. Funding level computations.

A. The requested funding levels for section 4774, subsection 1, paragraphs A and B, shall be computed by the commissioner as follows:

(1) Multiply the total number of resident elementary and secondary pupils on October 1st in the year prior to the year of allocation by the elementary and secondary per pupil rates estimated by the commissioner in accordance with the guidelines in subsection 3.

(2) The requested funding level shall be 50% of this amount.

B. The requested funding levels for section 4774, subsection 1, paragraphs C, D and E, shall be computed by adding the actual costs for the first half of the year prior to the year of allocation to the estimated costs that will be incurred for the 2nd half of the same year.

C. The requested funding levels for section 4774, subsection 1, paragraph G, shall be 50% of estimated costs in the year of allocation.

D. The requested funding levels for section 4774, subsection 1, paragraph F, shall be computed by adding the actual costs for the first half of the year prior to the year of allocation to the estimated costs that will be incurred for the 2nd half of the same year. The requested funding level shall be 50% of this amount.

E. The commissioner shall have the authority to amend estimates whenever he believes them to be unreasonable.

3. Estimate guidelines for elementary and secondary operating costs. The recommendation for elementary and secondary operating costs shall reflect the commissioner's best estimate as to changes in pupil enrollment, economic factors, adjustments based on actual changes in education costs and any other considerations which might effect a change in the cost of education. The commissioner shall be ever conscious of the need for prudent restraint in educational financing.

§ 4776. Governor's recommendation for funding levels

The Bureau of the Budget shall annually certify to the Legislature the funding levels which the Governor recommends for section 4774, subsection 1, paragraphs A to K. The Governor's recommendation shall be transmitted to the Legislature within the time schedule set by Title 5, section 1666.

§ 4777. Actions by the Legislature

The Legislature shall annually, prior to May 1st, enact legislation which shall:

1. Basic elementary per pupil operating rate. Establish the basic elementary per pupil operating rate;
2. Basic secondary per pupil operating rate. Establish the basic secondary per pupil operating rate;
3. Total operating costs. Establish the level of total education operating costs;

4. **Appropriation for 50% of total education operating costs and other programs.** Appropriate the necessary funds for 50% of total education operating costs, as defined in section 4773, subsection 14, for 100% of special and vocational education costs and for 50% of debt service and transportation costs;

5. **Appropriation for unusual enrollment.** Appropriate the necessary funds for the contingent account for unusual enrollment adjustments established by section 4779, subsection 3;

6. **Appropriation for geographic isolation.** Appropriate the necessary funds for adjustments due to geographic isolation as determined by section 4779, subsection 1;

7. **Appropriation for small administrative units.** Appropriate the necessary funds for adjustments to small administrative units which qualify in accordance with section 4779, subsection 7;

8. **Appropriation for audit adjustments.** Appropriate the necessary funds for audit adjustments which are authorized pursuant to section 4779, subsection 6;

9. **Appropriation for nonpublic school student services.** Appropriate the necessary funds for reimbursement for nonpublic school student services, as authorized by section 4780, subsection 6; and

10. **Appropriation for pupils placed directly by the State and for institutional residents.** Appropriate tuition and board for pupils placed directly by the State in accordance with rules and regulations adopted by the commissioner and special education tuition and other tuition for institutional residents of state-operated institutions attending programs in administrative units in accordance with rules and regulations adopted by the commissioner.

§ 4778. Computation of subsidies

The subsidies to each administrative unit for operating cost and for the programs in section 4774, subsection 1, paragraphs C, D, E, F and G, shall be computed as follows.

1. **Operating costs.** Reimbursement for elementary and secondary operating costs shall be computed by multiplying the number of elementary and secondary pupils in the unit on October 1st in the year prior to the year of allocation by $\frac{1}{2}$ of the elementary and secondary operating rates, respectively, as established in section 4777.

A. **Resident elementary pupils.** Resident elementary pupils in the unit on October 1st in the year prior to the year of allocation shall not include special education tuition pupils.

B. **Resident secondary pupils.** Resident secondary pupils in the unit on October 1st in the year prior to the year of allocation shall include pupils enrolled in programs for school dropouts and truants as counted in the manner provided in section 934 and pupils enrolled in adult education programs eligible

for state subsidies as counted in the manner provided in section 2384. Resident elementary pupils in the unit on October 1st in the year prior to the year of allocation shall not include special education tuition pupils.

2. Reimbursement for other programs.

A. Reimbursement for both special education programs operated or contracted for by the administrative unit and for special education tuition and board shall be 100% of the estimated costs as adjusted by the commissioner or by the Legislature or 100% of the actual expenditures, whichever is less. Medical costs shall not be allowable as a part of a tuition charge.

B. Reimbursement for vocational education shall be 100% of the estimated costs as adjusted by the commissioner or by the Legislature or 100% of the actual expenditures, whichever is less.

Any vocational center shall have the authority to bill its member units for any legislatively approved reduction in vocational education subsidies in proportion to the number of students served on October 1st and April 1st of the year immediately prior to the year of allocation. Any vocational region shall have the same authority to bill vocational centers for any students which they may send to the region for vocational education programs.

If any bill authorized under this paragraph is not paid within 30 days after submission, the vocational center or region may appeal to the commissioner under section 1292.

Expenditures for the first 6 months and expenditure estimates for the next 6 months as submitted by vocational regions, or member units of those regions, shall be used in computing transportation reimbursements to regions for the fiscal year 1978 and thereafter, notwithstanding any other section of this Title. The commissioner is authorized to obtain expenditures and estimates and to make the necessary adjustments in vocational education cost estimates in accordance with the definition of vocational education costs for subsidy purposes.

C. Reimbursement for transportation operating costs shall be limited to 50% of the estimated costs as adjusted by the commissioner or by the Legislature or 50% of the actual expenditures, whichever is less. In the event the Legislature appropriates, for the transportation of pupils, an amount which differs from the commissioner's recommendation, the percentage of increase or decrease in the amount shall apply only to the operating cost and not to the purchase of buses.

D. Debt service costs shall be reimbursed at 50% of the estimated level in the year of allocation.

§ 4779. Additional payments to local units

In addition to the subsidies for operating costs and other programs provided under section 4778 and the reimbursements for categorical program costs, payments may be made to any eligible units for the following items.

1. Geographic isolation; determination.

A. The commissioner, with the approval of the State Board of Education, shall determine geographic isolation if a unit is located an unreasonably long distance from another unit or school facility or is situated in a location which has unique problems in transporting students to another school unit.

B. If the unit is declared to be geographically isolated under paragraph A, the commissioner shall adjust the total subsidy to that unit to meet the educational needs of that unit.

C. The geographic isolation adjustment shall not exceed the amounts expended by the unit in the base year which were in excess of the basic elementary and secondary per pupil operating rates in the year of allocation.

2. Pupils on federal land; payment; limitation.

A. An administrative unit which enrolls eligible pupils under Federal Public Law P. L. 81-874 (Impact Aid, section 3) shall count those pupils as resident pupils for purposes of this chapter.

B. The total subsidy to such a unit shall be adjusted by subtracting therefrom the Federal Public Law 874 receipts in the same proportion that total local revenues under the state equalization program are to total local revenues for education in the unit.

C. The amount subtracted under paragraph B shall not exceed 90% of the unit's entitlement for the year prior to the year of allocation. In adjusting the total subsidy under this paragraph, the amounts subtracted for pupils residing on land under control of the Federal Government, or any agency thereof, or on a federal military reservation shall not exceed ½ of the national average expenditure per pupil, as computed by the Federal Government, multiplied times the number of the students in the unit.

3. Unusual enrollment; computation on payment; proration; local authorization; contingent account.

A. A unit may qualify for an unusual enrollment subsidy adjustment whenever the increase in pupils between October 1st of the year of allocation of funds and October 1st of the year prior to the year of allocation of funds is 3% or more. The number of pupils in excess of 3% increase shall be multiplied by the appropriate per pupil cost as established in this section to determine the allowable adjustment.

B. All units shall be prorated if necessary to remain within the sum appropriated for that adjustment.

C. Local administrative units are authorized to expend any funds received through this adjustment without calling for a special meeting of the local legislative body.

D. There is established within the department a contingent account for unusual enrollment subsidy and adjustments.

4. Decrease in enrollment; guaranteed allocation.

A. Any administrative unit which experiences a decrease in enrollment in either elementary or secondary education programs of 33% or greater between April 1st of the base year and October 1st of the year prior to the year of allocation shall, at a minimum, be eligible to have its net local allotment based on the average elementary or secondary per pupil operating cost.

5. Special education adjustment; guidelines; limits; local authorization.

A. If an administrative unit petitions the commissioner and demonstrates that the tuition or board payment to a special education facility for the initial placement of an exceptional child will cause a budgetary hardship, the commissioner may adjust the unit's reimbursement for categorical programs to include up to the amount of the tuition and board payments.

B. The funds for the adjustment shall be limited to the amount appropriated by the Legislature for that purpose.

C. School committees and boards of school directors shall be authorized to expend the funds allocated without having to seek approval from their legislative bodies.

6. Audit adjustment; limits.

A. If errors are revealed by audit and corrected by the commissioner under authority granted in section 4774, subsection 4, the administrative net local allotment and reimbursement for categorical programs allocation shall be adjusted to include corrections.

B. The funds for these adjustments shall be limited to the amount appropriated by the Legislature under section 4777, subsection 8.

7. Small unit subsidy adjustments; legislative intent. A unit may qualify for one of the following small unit subsidy adjustments.

A. A unit shall receive a minimum allocation for operating costs equal to $\frac{5}{3}$ of the state average elementary teachers' salary in the school year immediately prior to the year of allocation as determined by the commissioner, if it is operating an elementary school with 25 pupils or less in kindergarten through grade 8 during the school year immediately prior to the year of allocation.

B. A unit shall receive a minimum subsidy computed by multiplying the elementary or secondary pupil enrollment on October 1st in the year of allocation by the actual cost of tuition payment in the year of allocation, if it is not operating an elementary school or a secondary school and has 25 pupils or less in the kindergarten through grade 8 during the school year immediately prior to the year of allocation.

C. The small unit subsidy adjustment shall guarantee a minimum subsidy payment for operating costs to those units which qualify and it shall be made only after the payments in subsection 1 to 6 have been made.

§ 4780. Authorization of payment of subsidy for operating costs, and reimbursement for categorical programs and payments under section 4779, subsections 1 to 7; appeals; limitation of use

1. Authorization of payment of the subsidy for operating costs, reimbursement for categorical programs and payments under section 4779, subsections 1 to 7. The commissioner shall authorize payments of the subsidy for operating costs, reimbursements for categorical programs and payments under section 4779, subsections 1 to 7, to the administrative units to be made in accordance with time schedules set forth in section 3455, sections 3457 to 3460 and sections 3471 to 3477.

2. Notification; commissioner's duty; superintendent's duty.

A. The commissioner shall annually, on or before May 15th, notify the school committees or school directors of each administrative unit of the amount allocated to the unit.

B. The superintendent of schools of each unit shall report to the municipal officers whenever the unit is notified of the allocation or a change is made in the allocation to a unit resulting from a December or June adjustment.

3. Payments to unit's treasurer; basis. Payments under subsection 1 shall be made directly to the treasurer of each administrative unit and shall be based upon the number of resident pupils educated at public expense and contingent expenditures as outlined in this chapter based upon audited financial reports submitted by the various administrative units.

4. Computation of payments to community school districts. Whenever a community school district is organized to educate some, but not all, of the grades from kindergarten through grade 12, the department shall compute the payments under subsection 1 for the member municipalities on the basis of the number of resident pupils in the municipality, on October 1st of the calendar year prior to the year of allocation, who were educated by the community school district.

5. Payments under subsection 1 to vocational regions. Payments under subsection 1 for debt service on bonds issued by the cooperative boards of vocational regions shall be paid directly to the treasurers of the boards notwithstanding any other statute.

6. Nonpublic school student service reimbursements. Notwithstanding any other provision of this chapter, the commissioner shall reimburse 50% of the expenditures of the base year as reported by the municipal officers on forms provided by the commissioner for providing any of the services to nonpublic school pupils authorized by Title 30, section 5104, subsections 5 to 8, provided the students attend nonpublic schools that are not operated for profit in whole or in part. The total amount reimbursed under this section shall not exceed the level of

funds appropriated for this item under section 4777, subsection 9. The municipal officers shall submit documentation demonstrating the amount of money appropriated for nonpublic school student services for the base year. The commissioner is authorized to promulgate reasonable rules and regulations to assure that all sums reimbursed were utilized and actually expended for programs authorized pursuant to Title 30, section 5104, subsections 5 to 8; that no municipality receives reimbursement under this section for any student who attends a nonpublic school at public expense and that all services provided to nonpublic school students that require professional personnel be provided by persons who are public employees.

7. Private school transportation payments; other payments for services to private school students. For the year beginning July 1, 1979, and ending June 30, 1980, the commissioner shall reimburse 50% of the expenditures of the year immediately prior to the year of allocation for those items subject to reimbursement under subsection 6. These expenditures shall be computed by adding the actual costs for the first half of that year to the total estimated costs that will be incurred for the 2nd half of that year as reported by any municipality for providing the transportation of school children to and from schools other than public schools, except such schools as are operated for profit in whole or in part. A municipality shall be limited to 90% of the estimated costs, as adjusted by the commissioner, or 90% of the actual expenditure, whichever is less. The total amount reimbursed under this subsection shall not exceed the level of funds appropriated for this item under section 4777, subsection 9.

8 Direct special education payments. The commissioner is authorized to make tuition and board payments directly to private special education boarding schools which receive state wards or other pupils placed directly by the State.

9. Education of insitutional residents. The commissioner is authorized to pay tuition to administrative units for institutional residents, as defined in section 4773, subsection 9, and within the limits of the appropriation made under section 4777, subsection 10.

10. Appeals. The computation of payments under this chapter for any unit may be appealed in writing to the State Board of Education by the school committee or board of directors of any administrative unit within 30 days from the date of notification of the computed amount. The board shall review the appeal and make an adjustment if, in its judgment, such an adjustment is justified. The board's decision shall be final as to facts supported by the records of the appeal.

11. School purpose expense requirement. Notwithstanding any other public or private statute to the contrary, all money allocated for school purposes shall be expended for school purposes only.

12. Balance of allocations. Notwithstanding any other public or private statute to the contrary, balances of allocations at the end of the unit's fiscal year shall be carried forward to meet the next year's school needs.

§ 4781. Municipal assessment paid to district

1. **Presentation of assessment schedule.** The assessment schedule based on the budget approved at a community school district or school administrative district budget meeting or meetings shall be presented to the treasurer of each municipality which is a member of the district.

A. The assessment schedule shall include each member municipality's share of the funds raised locally for 50% of the cost of debt service and transportation and for any other local appropriations.

2. **Municipal treasurer's payment schedule.** The treasurer of the member municipality, after being presented with the assessment schedule, shall forward 1/12 of that member municipality's share to the treasurer of the district on or before the 20th day of each month of the fiscal year beginning in July.

§ 4782. Special school districts

1. **Special school district defined.** Any school district created by private and special law for the purposes of constructing or adding to school buildings which does not have authority nor responsibility for operating public schools in a "special school district" for the purposes of this section.

2. **Administrative unit.** For the purposes of sections 3457 to 3460 and 4757, any special school district to which this section is applicable shall be deemed to be an administrative unit.

3. **Debt service; payments by school committee.**

A. Debt service on bonds or notes issued by a special school district shall be included in the school budget of the administrative unit which operates the school or schools constructed by the district.

(1) The school committee, board of school directors or other board exercising like functions for the administrative unit which operates the school or schools shall pay to the special school district all sums necessary to meet the payments of principal and interest on bonds or notes when due and to cover any maintenance or other costs for which the special school district is responsible.

§ 4783. School budget; budget formats

1. **Content; subsidy for operating costs, costs of categorical programs; summary.**

A. Each administrative unit shall include in its school budget its subsidy for operating costs, its categorical program costs and any additional expenditures authorized by statute.

B. The budget document shall contain a summary of anticipated revenues and estimated school expenditures for the fiscal year.

2. Budget deadlines; prior to budget meeting; adoption.

A. At least 7 days before the initial meeting of the legislative body which is responsible for adopting a budget, a detailed budget document shall be available to that legislative body and to any person residing within the geographic area served by the administrative unit.

B. Notwithstanding any provision of statute or charter to the contrary, municipalities, School Administrative Districts and community school districts may adopt their respective annual budgets at any time prior to June 30th, except that the school budgets for vocational regions shall be adopted on or before August 1st.

3. Budget formats; general; determination; public involvement.

A. Except as provided in subsection 4, the budget format shall be that prescribed by a majority of the school directors or school committee members until such time as an article prescribing the school budget format is approved by a majority of voters in an election in which the total vote is equal to or greater than 20% of the number of votes cast in the municipality at the most recent gubernatorial election, or 200, whichever is less.

B. The format of the school budget may be determined in accordance with section 226, subsection 3 or section 362.

C. It is the intent of the Legislature that the governing bodies of administrative units shall attempt to encourage public participation in the development of the school budget.

4. Budget format; town or city charter. In a town or city where the responsibility for final adoption of the school budget is vested by municipal charter in a town or city council, the school budget format may be changed through amendment of the charter under the home rule procedures prescribed in Title 30, sections 1911 to 1920, except that the amendment shall be approved by a majority of voters in an election in which the total vote is equal to or greater than 20% of the number of votes cast in the municipality at the most recent gubernatorial election.

5. Budget format; town meeting. Where the final budget authority is vested in a town meeting operating under the general enabling procedures of Title 30, the format of the school budget may be determined by the town meeting or under the procedures prescribed in Title 30, section 2053 or 2061.

6. Budget format; community school district; trustee's duties; petition.

A. An article containing a community school district's proposed budget format shall be placed upon the next warrant issued or ballot printed if:

- (1) A majority of the board of trustees votes to place it upon the warrant; or**

(2) A written petition signed by 10% of the number of voters voting in the last gubernatorial election in each municipality comprising the district requests it to be on the warrant.

B. The article containing the budget format may be voted on by secret ballot at an election conducted in accordance with Title 30, sections 2061 to 2065.

C. The community school district's board of trustees shall:

(1) Issue a warrant specifying that the municipal officers of the municipalities within the community school district place the budget format article on the secret ballot to be voted upon as indicated in paragraph A; and

(2) Prepare and furnish the required number of ballots for carrying out the election, including absentee ballots.

7. Budget format: Articles. The articles prescribed in this chapter shall be included in the budget format and voted upon in the adoption of the budget in order to determine state and local cost sharing.

8. Change in budget format. Any change in the budget format shall be voted upon at least 90 days prior to the budget year for which that change is to be effective.

§ 4784. School budget adoption; extension

Notwithstanding any provisions of statute or charter to the contrary, municipalities, School administrative Districts and community school districts may adopt their respective annual budgets at any time prior to June 30th, annually, except that the school budget for vocational regions shall be adopted on or before August 1, annually. Municipal officers and school directors or trustees may not certify to the assessors any amount to be raised by taxation until such time as a final budget has been approved that includes the total education cost estimates for the current or ensuing fiscal year. Expenditures may be made by municipalities or school districts after the commencement of, and prior to adoption of a final budget for, the current or ensuing fiscal years 1978 and 1979 based on interim or partial budgets adopted by the municipal officers, boards of directors of School Administrative Districts, or boards of trustees of community school districts.

§ 4785. Reconsideration of budget

For administrative units in which the school budget is finally approved by the voters, a special meeting to reconsider action taken on the budget may be called under the following conditions and by the following procedures set forth in this section.

1. Reconsideration. Meetings to reconsider action shall be called within 30 days of the regular budget meeting.

2. Special budget meeting. A special budget meeting may be called by the board of directors in a School Administrative District or by the board of trustees in a community school district.

3. Procedure for calling a special budget meeting. A special budget meeting shall be called, within 15 days, by the board of directors in a School Administrative District or the board of trustees in community school districts whenever 10% of the voters voting in the last gubernatorial election in the member towns of the district or 100 voters, whichever is less, have signed a petition for the meeting specifying the article or articles to be acted upon at the special budget meeting.

4. Who may call a special budget meeting. A special budget meeting may be called by the school committee in a municipality which is responsible for the operation of its schools or may be called by using the petition procedures set forth in Title 30.

5. Check list required. Prior to the articles dealing with school appropriations being voted upon, the moderator of each regular or special school budget meeting shall require the clerk or secretary to make a check list of the registered voters present. The number of voters listed on the check list shall be conclusive evidence of the number present at the meeting as referred to in subsection 6.

6. Invalidation of action of a special budget meeting. Whenever a special school budget meeting is called to reconsider action taken at a regular budget meeting, the actions of the meeting shall be invalid if the number of voters present at the special budget meeting is less than the number of voters present at the regular budget meeting.

7. Line item transfers. Meetings required by school committees or school directors for the purpose of transferring funds from one category or line item to another shall be posted for voter or council action within 15 day of the date of the request.

§ 4786. Bonds; notes; etc.

1. Obligations of administrative unit. All bonds, notes or other evidences of indebtedness issued for school purposes by an administrative unit, as defined in section 3452, for major capital expenses or for current operating expenses, including tax or other revenue anticipation notes, shall be general obligations of the administrative unit.

2. Tax assessments; reduction by legislative appropriation.

A. The municipal officers, school directors, trustees or other governing board exercising like functions in each administrative unit shall require the sums which may be necessary to meet in full the principal of an interest on these bonds, notes or other evidences of indebtedness payable in each year to be assessed and collected in the manner provided by law for the assessment and collection of taxes.

(1) The sums so assessed shall be payable from ad valorem taxes which may be levied without limit as to rate or amount upon all the taxable property within the administrative unit.

B. The sums to be assessed and collected under paragraph A shall be reduced by the amount of any allocation of funds appropriated by the Legislature to pay the principal and interest owed by the administrative unit in any given year as certified to the unit by the commissioner. The commissioner shall certify the amount due to the unit within 30 days after it has been appropriated by the Legislature.

§ 4787. Compliance with federal and state laws and regulations

1. Commissioner's duty. The commissioner shall assure that any federal or state funds distributed to any school administrative unit are spent in compliance with:

A. Revenue sharing. Provisions of federal laws and regulations, United States Code, Title 31, section 1242, as amended, and the Code of Federal Regulations, Title 31, Subtitle B, Part 51, Chapter I;

B. Education amendments. Title 9 of the education amendments of 1972, United States Code, Title 20, sec. 1681 et seq., and the Code of Federal Regulations, Title 45, Part 86;

C. Civil Rights Act. The Civil Rights Act of 1864, Title 6, United States Code, Title 42, 2000d and the code of Federal Regulations, Title 45, Part 80;

D. Human Rights Act. Title 5, chapter 337 and the regulations promulgated pursuant to sections 4551 to 4631; and

E. Code of Fair Practices and Affirmative Action. Title 5, sections 781 to 790.

2. Assistance. Upon request by the department, the Human Rights Commission and the Department of the Attorney General shall assist the Department of Educational and Cultural Services in meeting its obligation to respond to complaints raised pursuant to this section.

Sec. 3. Effective date. This act shall take effect July 1, 1980.

STATEMENT OF FACT

The purpose of this bill is to distribute state subsidies for operating costs on a per pupil basis without regard for the property valuation of the local administrative unit.

Each unit would receive a subsidy from the State for operating costs equal to 1/2 the product of its resident pupils and a per pupil rate established by the State.

The State would reimburse each unit for 100% of the costs of special education and vocational education in the year prior to the year of allocation.

The State would reimburse each unit 50% of the costs of debt service in the year of allocation.

The State would reimburse each unit 50% of the costs of its transportation costs in the year prior to the year of allocation.