MAINE STATE LEGISLATURE

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| 1 | (New Draft of H.P. 854, L.D. 1104) | | | | | |
|---------------|---|--|--|--|--|--|
| 2 3 | FIRST REGULAR SESSION | | | | | |
| 4 5 | ONE HUNDRED AND ELEVENTH LEGISLATURE | | | | | |
| 6 7 | Legislative Document No. 1610 | | | | | |
| 8 | H.P. 1214 House of Representatives, May 16, 1983 | | | | | |
| 9 | Reported by Representative Small from the Committee on Education and | | | | | |
| 10 | printed under Joint Rule 2. Original bill presented by Representative Randall of East Machias. | | | | | |
| 11 | Cosponsored by Representative Locke of Sebec. | | | | | |
| • | EDWIN H. PERT, Clerk | | | | | |
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| 13 | STATE OF MAINE | | | | | |
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| 15 | IN THE YEAR OF OUR LORD | | | | | |
| 16 | NINETEEN HUNDRED AND EIGHTY-THREE | | | | | |
| 17 | | | | | | |
| 18 | AN ACT to Amend the Laws Pertaining to | | | | | |
| 19 | Dissolution and Withdrawal from School | | | | | |
| 20 | Administrative Districts and Community | | | | | |
| 21 | School Districts. | | | | | |
| 22 | · | | | | | |
| . 23 | Be it enacted by the People of the State of Maine as | | | | | |
| 24 | follows: | | | | | |
| 25 | Sec. 1. 20-A MRSA §1403, as enacted by PL 1981, | | | | | |
| . 26 | c. 693, §§5 and 8, is amended to read: | | | | | |
| 27 | §1403. Dissolution of a district | | | | | |
| 28 | 1. Ten percent petition. Upon receipt of a | | | | | |
| 29 | petition of which seeks to dissolve a school adminis- | | | | | |
| 30 | trative district and establishes a maximum figure for | | | | | |
| 31 | the cost of preparing a dissolution agreement signed | | | | | |
| 32 | by 10% the number of voters in a municipality who | | | | | |
| 33 | voted at the last gubernatorial election, the munici- | | | | | |
| 34 | pal officers shall call and hold a special election, | | | | | |

in the manner provided for the calling and holding of town meetings or city elections, to vote on the dissolution of the school administrative district.

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- A. At least 10 days before the election, a posted or otherwise advertised public hearing on the petition shall be held by the municipal officers.
 - B. The petition must be approved by secret ballot by a 2/3 vote of the voters present and voting before it may be presented to the board of directors and the state board. Voting in towns shall be conducted in accordance with Title 30, sections 2061 and 2062, even though if the town has towns have not accepted the provisions of Title 30, section 2061, and voting in cities shall be conducted in accordance with Title 21.
- 2. <u>Form.</u> The question to be voted upon shall be in <u>substantially</u> the following form:
 - "Article : Be it resolved by the residents of the Town of that a petition for dissolution be filed with the directors School Administrative District No. and with the State Board of Education, that the dissolution committee be authorized to expend and that the (municipal officers; i.e. council, etc.) be authorized to selectmen, town issue notes in the name of the Town or otherwise pledge the credit of the Town of in for this purpose? amount not to exceed \$

31 Yes No '

- 3. Notice of vote; finding by board. If residents of a participating municipality vote favorably on a petition for dissolution, the clerk shall immediately give written notices, by registered mail, to the secretary of the school administrative district, the state board and the commissioner which shall include:
- A. The petition adopted by the voters, including the positive and negative votes cast; and

- B. An explanation by the municipal officers, stating to the best of their knowledge, the reason or reasons why the municipality seeks to dissolve the district.
- 4. Agreement for dissolution; notice; changes in agreement; final agreement. The agreement for dissolution shall comply with the following.

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The commissioner, after consultation with the district board of directors, municipal officers the participating municipalities, and representatives of the group which filed the petition with the municipality, shall direct the municipal officers of each municipality to select representatives to a committee as follows: One school director representing the municipality shall selected by the directors representing municipality; One member each from the municipal officers; the group filing the petition; and one member from the general public shall be selected by the municipal officers; and one member from the group filing the petition if the group is represented in the municipality, otherwise an additional one member of the general public. commissioner shall also direct the directors representing each municipality to select one member of the board of directors who represents that municipality to serve on the committee. The municipal officer and the member of the board directors shall serve on the committee only so long as they hold their respective offices. Vacancies will be filled by the municipal officers and board of directors. The chairman of the board of directors shall call a meeting of the committee within 30 days of the filing of the notice of the vote in subsection 3. The chairman of the board shall open the meeting by presiding over the election of a chairman of the committee. The responsibility for the preparation of the agreement shall rest with the committee, subject to the approval of the State Board of Education. The committee may draw upon the resources of the department for information not readily available at the local level and employ competent advisors within the fiscal limit authorized by the voters. The agreement shall be submitted to the state

board and the commissioner within 90 days after the committee is formed. Extensions of time may be granted by the commissioner upon the request of the committee.

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- The agreement shall contain provisions (1) to provide educational services for all students in the district. The agreement shall provide that during the first year following the dissolution, students may attend the school they would have attended if the district had not dissolved. The allowable tuition rate for students sent from one municipality to another in the former school administrative district shall be determined under section 5805, subsection 1, except that it shall not be subject to the state per pupil average limitation in section 5805, subsection 2.
- (2) The agreement shall establish the dissolution to take effect at the end of the district's fiscal year.
- (3) The agreement shall establish that the dissolution will not cause a need within 5 years from the effective date of dissolution for school construction projects which would be eligible for state funds. This limitation does not apply where a need for school construction existed prior to the effective date of the dissolution or where a need for school construction would have arisen even if the district had not dissolved.
- (4) The agreement shall establish how transportation services will be provided.
- (5) The agreement shall provide for administration of the new administrative units, which should not include the creation of new supervisory units if at all possible.
- (6) The agreement shall make provision for the distribution of financial commitments arising from outstanding bonds, notes and any other contractual obligations that

1 extend beyond the proposed date of dissolu-2 tion. 3 (7) The agreement shall make appropriate 4 provision for the distribution of any out-5 standing financial commitments to the superintendent of the school administrative dis-6 7 trict. 8 (8) The agreement shall provide for the 9 continuation and assignment of collective 10 bargaining agreements as they apply to the 11 new or reorganized school administrative 12 unit for the duration of those agreements and shall provide for the continuation of 13 14 representational rights. 15 (9) The agreement shall provide for the 16 17 under section 13201, subsection 2.

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- continuation of continuing contract rights
- (10)The agreement shall provide for the disposition of all real and personal property and other monetary assets.
- (11) The agreement shall provide for the transition of administration and governance of the schools to properly elected governing bodies of the newly created administrative units and shall provide that the governing bodies shall not be elected simultaneously with the vote on the article to dissolve unless the state board finds there extenuating circumstances which necessitate simultaneous elections.

B. Within 60 days of the receipt of the agreement, the state board shall either give it conditional acceptance approval or recommend changes with the advice of the commissioner. The changes shall be based upon the standards set forth in paragraph A and the board's findings of whether the contents of the plan will provide for appropriate educational and related services to the students of the district and for the orderly transition of assets, governance, and other matters related to the district.

C. If the state board gives conditional approval of the agreement, the commissioner shall notify the directors and the municipal officers by registered mail of the time and place of a public hearing at least 20 days prior to the date set for the hearing, to discuss the merits of proposed agreement of dissolution. The chairman of the board of directors will conduct the hear-<u>ing.</u>

- (1) The directors shall post a public notice in each municipality of the time and location of the hearing at least 10 days before the hearing.
- (2) Within 30 days following the hearing, the committee shall forward the final agreement to the commissioner and the state board.
- D. If the state board recommends changes it shall:
 - (1) Send the agreement back to the committee for necessary corrections and establish a maximum time within which to make the corrections; and
 - (1-A) Establish a maximum time within which to make the corrections; and
 - (2) Indicate that the corrected agreement shall go through the steps outlined in paragraphs A to C₇ or such other steps as the board deems appropriate be returned to the state board for conditional approval before it goes to public hearing as set forth in paragraph C.
- 5. Date of vote; notice; warrant; polling hours.
 The date and time for voting shall be established as follows.
 - A. The state board shall determine the date upon which all municipalities shall vote upon the dissolution agreement submitted to them. The election shall be held as soon as practicable and the

- 1 state board shall attempt to set the date of the 2 vote to coincide with a statewide election.
- B. At least 35 days before the date set in paragraph A, the board of directors shall give written notice by registered or certified mail to the town or city clerk of each municipality having a right to vote on the dissolution agreement.
- 8 C. The town or city clerk shall immediately
 9 notify the municipal officers upon receipt of the
 10 notice, and the municipal officers shall meet and
 11 immediately issue a warrant for a special town
 12 meeting or city election, as the case may be, to
 13 be held on the date designated by the state
 14 board. No other date may be used.
- D. In the respective warrants, the municipal officers shall direct that the polls shall be open at 10 o'clock in the forenoon and shall remain open until 8 o'clock in the afternoon.
- 19 6. Public hearing; voting procedures. The fol-20 lowing requirements apply to the voting procedures.
- A. At least 10 days before the election, a posted or otherwise advertised public hearing on the dissolution question shall be held by the municipal officers.
- B. Except as otherwise provided in this section, the voting at the meetings held in towns shall be conducted in accordance with Title 30, sections 2061 and 2062, even though if the town has towns have not accepted the provisions of Title 30, section 2061.
- 31 C. The voting at the meeting held in cities 32 shall be conducted in accordance with Title 21.
- 33 7. Article. The article shall be in the follow-34 ing form.
- 35 "Article : Shall School Administrative Dis-36 trict No. be dissolved subject to the 37 terms and conditions of the dissolution agreement 38 dated 19 ?

- 8. <u>Ballots; posting of agreement</u>. The dissolution agreement need not be printed on the ballot. Copies of the agreement shall be posted in each participating municipality in the same manner as specimen ballots are posted under Title 30, chapter 207.
 - 9. Restriction on dissolution petitions. No participating municipality within a district which has voted on dissolution may petition for dissolution within 2 years after the date of the district vote on the dissolution:
 - A. A municipal vote on a petition for dissolution if the petition received less than 60% of the votes cast; or
 - B. A district vote on a dissolution agreement if the agreement received less than 45% of the votes cast.
 - 10. Costs of dissolution agreements. Eests incurred shall comply with the fellowing. If the school administrative district votes to permit dissolution, then the district shall reimburse the petitioning municipality for the authorized expenses incurred by the dissolution committee. If the district votes not to permit dissolution, then the district will not be required to reimburse the petitioning municipality for those expenses.
 - A. The expense of employment of competent advisors in preparing the agreement of dissolution shall be paid by the state board.
 - B. If the school administrative district votes not to permit dissolution, the municipality petitioning for dissolution shall reimburse the state board for expenses. If the school administrative district votes to permit dissolution, the school administrative district shall reimburse the state board for the expenses.

- 1 11. Determination of vote. The town and city clerks shall, within 24 hours of determination of the result of the vote in their respective municipalities, certify the total number of votes cast in the affirmative and the total number of votes cast in the negative on the article to the board of directors.
 - 12. Determination of results; notification of state board; execution of agreement. Determination of results shall comply with the following.

- A. Upon receipt of the results of the voting from all municipalities, the board of directors shall meet and shall compute and record the total number of votes cast in the municipalities within the school administrative district in the affirmative and the total number of votes cast in the negative on the dissolution article submitted.
- B. The board of directors shall notify the state board by eertified registered mail or by hand delivery of the results of the vote.
 - C. If the state board finds that a majority of the voters voting on the article have voted in the affirmative, it shall notify the directors of the district to execute immediately take steps to dissolve the district in accordance with the terms of the agreement for dissolution.
- 26 13. Recount; checklists and ballots; disputed 27 ballots. The following provisions apply to recounts, 28 checklists, ballots and disputed ballots.
 - A. If, within 7 days of the computation and recording of the results of the voting from all municipalities, the municipal officers of any participating municipality request to the commissioner in writing a recount of the votes in the district, the commissioner shall immediately cause the checklists and all the ballots cast in all of the participating municipalities to be collected and kept at the commissioner's office so they may be recounted by interested municipalities.

B. The town clerks of the participating municipalities are authorized to deliver the checklists and ballots to the commissioner, notwithstanding any other provision of law to the contrary.

- C. The commissioner shall resolve any question with regard to disputed ballots.
- 14. Execution of agreement; certified record; certificate of withdrawal. When the agreement for dissolution has been executed put into effect by the directors of the school administrative district, the directors shall notify the state board by certified mail that the agreement of dissolution has been executed.
- A. A complete certified record of the transaction involved in the dissolution shall be filed with the state board.
 - B. The state board shall immediately issue a certificate of dissolution to be sent by certified mail for filing with the directors of the school administrative district and shall file a copy in the office of the Secretary of State.
- 22 15. Indebtedness; indebtedness defined; 23 indebtedness after dissolution. The following provi-24 sions apply to outstanding indebtedness.
 - A. Whenever a district having outstanding indebtedness dissolves, the district shall remain intact for the purpose of securing and retiring the indebtedness; the dissolution agreement may provide for alternate means for retiring outstanding indebtedness.
 - B. "Outstanding indebtedness" means bonds or notes for school construction projects issued by the board of directors pursuant to the authorization established under chapter 609 or Title 20, sections 3457 to 3460 or obligations to the Maine School Building Authority pursuant to any contract, lease or agreement made by the board of directors pursuant to approval thereof in a district meeting of the school administrative district, but does not include any indebtedness of

- any municipality assumed by the school administrative district at the time of formation nor any contract, lease or agreement of the Maine School Building Authority to which by operation of law the school administrative district has become the assignee.
- 7 16. General purpose aid. When a school adminis-8 trative district dissolves the general purpose aid 9 for the individual municipalities shall be computed 10 in accordance with chapter 605.

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- 17. Committee recall. If the state board determines that the dissolution committee has failed to comply with the requirements of this section, it may authorize the municipal officers and the district's board of directors to recall their representatives and to appoint new representatives to the committee.
- Sec. 2. 20-A MRSA §1404, sub-§6, as enacted by PL 1981, c. 693, §§5 and 8, is amended to read:
- 6. Outstanding indebtedness of school administrative district; liability of individual municipalities. If the school administrative district is dissolved and the ensuing community school district does not include all grades kindergarten through grade 12, each member municipality shall be individually liable for any outstanding indebtedness which the school administrative district had relative to the grades which will be operated exclusively by that municipality or as otherwise provided for in the dissolution agreement.
- 30 Sec. 3. 20-A MRSA §1405, as enacted by PL 1981, 31 c. 693, §§5 and 8, is repealed and the following 32 enacted in its place:
- 33 §1405. Withdrawal of a single municipality from a 34 school administrative district
 - 1. Petition. The residents of a participating municipality within a school administrative district composed of 3 or more municipalities may petition to withdraw from the district in the same manner as they would petition for the dissolution of a school administrative district in accordance with section 1403,

except that only a simple majority vote of those casting valid ballots in the municipality is required before the petition may be presented to the board of directors and to the state board.

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- 2. Procedure. The steps set forth in section 1403 for dissolution apply to the withdrawal of a member municipality from a school administrative district, except that:
- 9 A. The responsible committee for preparing the withdrawal agreement shall be limited to individuals from the municipality;
- 12 B. Instead of a district election, a municipal
 13 election shall be conducted and a 2/3 vote of
 14 those casting valid ballots in the municipality
 15 is required before it may withdraw;
 - C. Wherever there is reference in section 1403 to the term "dissolution," or other terms not consistent with withdrawal, the term "withdrawal" or other appropriate language shall be substituted;
 - D. All public hearings required under section 1403 shall be conducted by the municipal officers; and
- E. A municipality may not petition for withdrawal within 2 years after the date of:
 - (1) A municipal vote on a petition for withdrawal if the petition received less than 45% of the votes cast; or
 - (2) A municipal vote on a withdrawal agreement if the agreement received less than 60% of the votes cast.
- 32 3. Cost of advisors. The expense of employing competent advisors by the municipality petitioning to withdraw shall be borne by the municipality and the expense of employing competent advisors by the district shall be borne by the district with the municipality bearing its share according to the district's cost-sharing agreement.

| 1 | 4. State | e board | recommend | ded dis | solutio | n. The |
|----------|-----------------|-----------|------------|-----------|----------|--------------|
| 2 | state board's | s respons | ibilities | to ini | tiate | dissolu- |
| 3 | tion proceed: | ings are | as follows | <u>5.</u> | | |
| 4 | A. If a | a member | town rep | resentir | ng more | than 50% |
| 5 | of the to | otal popu | lation in | a dist | rict v | otes to |
| 6 | | | e district | | | |
| 7 | <u>shall ar</u> | nalyze t | he educat | tional | impact | of the |
| 8 | town's v | withdrawa | 1 upon tl | ne distr | rict. T | he board |
| 9 | shall ut: | ilize dep | artmental | staff i | n carry | ing out |
| 10 | | | ty under | | | |
| 11 12 | | | of directo | | | |
| 13 | | from t | he remain: | ing town | is snall | be con- |
| 13 | sulted. | | | | | |
| 14 | | | board find | | | |
| 15 | | | remaining | | | |
| 16 | | | shall in: | | | |
| 17 | | | in sect | | | |
| 18 | district | submit | the follo | owing a | rticle | to the |
| 19 | voters at | t a distr | ict meetir | ng calle | ed in ac | cordance |
| 20 | with seci | tions 135 | 1 to 1354 | <u>.</u> | | |
| 21 | <u>"Article</u> | : Be | it reso | olved b | y the v | oters of |
| 22 | School Ad | dministra | tive Dist | rict No. | | that a |
| 23 | dissolut | ion commi | ttee be ap | ppointed | l and au | thorized |
| 24 | to exper | nd \$ | , and t | the dire | ctors o | f School |
| 25 | Administ | rative Di | strict No. | • | be au | thorized |
| 26 | to issue | notes o | r otherwis | se pledo | ge the c | redit of |
| 27 | School Ad | dministra | tive Dist | rict No. | | <u>in an</u> |
| 28 | amount r | not to ex | ceed \$ | fc | or this | purpose? |
| 29 | | Yes | No | | | |
| 30 | C. If the | ne voters | approve t | the arti | cle by | a major- |
| 31 | ity vote | of those | voting ar | nd pres | sent, t | hen the |
| 32 | rest of | the di | ssolution | proces | s set | forth in |
| 33 | section 1 | 1403 shal | l apply ex | kcept: | | |
| 34 | <u>(1)</u> | A 2nd m | ember from | n the | general | public |
| 35 | shal | ll be se | lected by | the mun | nicipal | officers |
| 36 | to i | fill the | position o | on the d | lissolut | ion com- |
| 37 | mitt | cee norma | lly held b | oy a rep | resenta | tive of |
| 38 | | | hich would | d have f | iled th | e disso- |
| 39 | luti | ion petit | 10n; and | | | |
| | | | | | | |

- (2) Costs of preparing a dissolution agreement shall be borne solely by the district.
- 5. Transfer of property. The district's board of directors may negotiate with the withdrawal committee regarding an equitable division of the district's property between the district and the municipality represented by the committee and transfer title of the property to the municipality following withdrawal. The board of directors shall determine that the district's educational program shall not be disrupted solely because of the transfer of any given property before it may complete the transfer.

2.3

- 13 Sec. 4. 20-A MRSA §1406, sub-§2, as enacted by 14 PL 1981, c. 693, §§5 and 8, is amended to read:
 - 2. <u>Transfer agreement</u>. The boards of directors of the 2 districts and the municipal officers of the municipality involved shall <u>form a committee to</u> prepare the <u>a transfer</u> agreement within a period of 60 days after being authorized notified by the commissioner to prepare the agreement. Extensions of time may be granted by the commissioner.
 - A. The committee shall consider the standards set forth in section 1403, subsection 4, paragraph A in preparing the agreement.
 - B. The approval process for the agreement shall follow the steps set forth in section 1403, subsection 4 to subsection 16.
 - C. The following question shall appear on the ballot when the transfer of a municipality is considered.
 - "Article: Shall School Administrative District No. vote to permit the municipality of to transfer into School Administrative District No. as a participating municipality of that district subject to the terms and conditions of the agreement of transfer approved by the State Board of Education dated

39 Yes No "

2 each warrant which directs the citizens to vote 3 upon the question.) 4 The article must be approved by a majority of D. 5 votes cast in the district both districts and by a majority of votes cast in the municipality to 6 7 be transferred before the agreement may take 8 effect. 9 A complete certified record of the transaction involved in the transfer shall be filed 10 with the state board. The 11 state board shall 12 issue immediately a certificate of transfer to the secretary of each school administrative dis-13 14 trict by registered mail to be filed with the 15 directors of the districts involved and 16 file a copy of the certificate of transfer in the 17 office of the Secretary of State. 18 Sec. 5. 20-A MRSA §1407, as enacted by PL 1981, 19 c. 693, §§5 and 8, is amended to read: 20 §1407. Closing an elementary school 21 Vote; costs of election. An elementary 22 school in a member municipality of a school administrative district may not be closed unless the voters 23 24 in the member town vote on the following article 25 accordance with the procedure set forth in sections 26 1351 to 1354. "Article Shall the board of directors 27 of School Administrative District No. 28 be 29 authorized to close ? 30 (name of school) 31 Yes No (The election shall be conducted only within that 32 33 member municipality and the costs of the election 34 shall be borne by the district.) 35 Expense of keeping the school open. Ιf voters vote to keep the school open, the member municipality shall be liable for any additional 36

(A copy of the agreement shall be posted with

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expense for operating costs, transportation costs,

and minor capital costs as defined in section 15503, which exceed by 10% the expense of the district for the operating costs, transportation costs, and minor capital costs as compared on a per pupil basis in the base year. The determination of costs shall be subject to the approval of the commissioner. Any additional costs which must be borne by the member municipality shall be part of the article presented to the voters at the meeting to determine whether the school should remain open.

STATEMENT OF FACT

This new draft requires maximum cost to be part of petition. It also requires that the initial article on dissolution (withdrawal) contain a maximum amount of money that the dissolution committee is authorized to spend. A positive vote on the article is also a vote to raise and appropriate this money.

The new draft provides for each community involved in a dissolution to have an equal number of members on the dissolution committee. It also states that members of the dissolution committee who are municipal officers and directors of the School Administrative District serve on the committee only so long as they hold their respective offices. Finally, it limits the employment of competent advisors to the fiscal limit authorized by the voters.

The new school committee shall not be elected at the same time as the dissolution vote unless the state board determines there are extenuating circumstances which necessitate simultaneous elections.

Changes in the agreement made by the state board shall be based on the board's findings of whether the contents will provide for appropriate educational and related services.

On dissolution, the chairman of the board of directors will conduct all public hearings.

The new draft clarifies the requirement that an agreement receive conditional approval from the state board before it goes to a public hearing. This re-

stricts a municipality that has voted unsuccessfully on a petition for dissolution from being able to submit another petition for a period of 2 years.

 The new draft places the burden of paying for competent advisors on the town petitioning for dissolution.

If a successful vote on dissolution occurs, the district will reimburse the petitioning municipality for its expenses. This gives the state board the authority to take whatever action is necessary to get an agreement to the voters, if the board determines that the dissolution committee has failed to comply with the statutes.

The new draft requires that all public hearings on withdrawal will be conducted by the municipal officers and grants the state board the authority to determine if the towns remaining in a district after the withdrawal of the largest municipality should continue as a district.