

MAINE STATE LEGISLATURE

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1 (EMERGENCY)
2 FIRST REGULAR SESSION
3

4 ONE HUNDRED AND TWELFTH LEGISLATURE
5

6 Legislative Document

No. 713

8 H.P. 508

House of Representatives, February 26, 1985

9 Submitted by the Department of Educational and Cultural Services
10 pursuant to Joint Rule 24.

Reference to the Committee on Education suggested and ordered printed.

11 EDWIN H. PERT, Clerk

Presented by Representative Brown of Gorham.

12 Cosponsored by Representative Bost of Orono, Senator Brown of
Washington and Representative Crouse of Caribou.

13 STATE OF MAINE
14

15 IN THE YEAR OF OUR LORD
16 NINETEEN HUNDRED AND EIGHTY-FIVE
17

18 AN ACT to Amend the School Construction Law.
19

20 **Emergency preamble.** Whereas, Acts of the Legis-
21 lature do not become effective until 90 days after
22 adjournment unless enacted as emergencies; and

23 Whereas, the State Board of Education approves
24 the majority of the school construction projects for
25 a given year at its July meeting; and

26 Whereas, this bill eliminates the requirement for
27 school administrative units to raise an initial local
28 share; and

29 Whereas, the projects which will be approved in
30 July 1985, will not be funded until several months
31 thereafter, but would be required to raise an initial
32 local share if this Act is not effective prior to the
33 July meeting; and

1 Whereas, in the judgment of the Legislature,
2 these facts create an emergency within the meaning of
3 the Constitution of Maine and require the following
4 legislation as immediately necessary for the preser-
5 vation of the public peace, health and safety; now,
6 therefore,

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

9 Sec. 1. 20-A MRSA §15901, sub-§4-A is enacted to
10 read:

11 4-A. Small scale school construction project.
12 "Small scale school construction project" means a
13 project which will not be eligible for state subsidy
14 and is limited to:

15 A. New buildings not exceeding 600 square feet
16 in gross area to be utilized solely for storage
17 or custodial work, or both; or

18 B. On-site additions to existing school build-
19 ings not exceeding 600 square feet in gross area.

20 Sec. 2. 20-A MRSA §15904, first ¶, as enacted by
21 PL 1981, c. 693, §§5 and 8, is amended to read:

22 Prior to final approval by the state board, a
23 school construction project, except a small scale
24 school construction project as defined in section
25 15901, subsection 4-A, must receive a favorable vote
26 conducted in accordance with the following.

27 Sec. 3. 20-A MRSA §15904, sub-§1, as enacted by
28 PL 1981, c. 693, §§5 and 8, is amended to read:

29 1. Councils and town meetings. In a municipali-
30 ty where the responsibility for final adoption of the
31 school budget is vested in a municipal council by mu-
32 nicipal charter or in a town meeting, the vote shall
33 be by secret ballot referendum in accordance with the
34 appropriate provisions set forth in Title 21 and Ti-
35 tle 30.

36 Sec. 4. 20-A MRSA §15904, sub-§4, ¶¶A and B, as
37 enacted by PL 1981, c. 693, §§5 and 8, are repealed.

1 Sec. 5. 20-A MRSA §15905, sub-§1, as amended by
2 PL 1983, c. 859, Pt. L, §1, is further amended to
3 read:

4 1. Approval authority. The state board must ap-
5 prove a each school construction project, unless it
6 is a small scale school construction project as de-
7 defined in section 15901, subsection 4-A.

8 A. The state board may approve projects so long
9 as no project approval will cause debt service
10 costs, as defined in ~~section 15503, subsection 9~~
11 section 15603, subsection 8, paragraphs A and D,
12 to exceed \$35,000,000 in a subsequent fiscal
13 year.

14 B. Nonstate funded projects, such as school con-
15 struction projects or portions of projects fi-
16 nanced by proceeds from insured losses, money
17 from federal sources, other noneducational funds
18 or local funds which are not eligible for inclu-
19 sion in an administrative unit's state-local al-
20 location, shall be outside the total cost limita-
21 tions set by the Legislature.

22 Sec. 6. 20-A MRSA §15907, sub-§3, as amended by
23 PL 1983, c. 426, §4, is repealed.

24 Sec. 7. 20-A MRSA §15909, sub-§2, ¶A, as amended
25 by PL 1983, c. 426, §6, is further amended to read:

26 A. The amount to be bonded shall be determined
27 as follows. The total cost of the project shall
28 be reduced by:

29 ~~(1) The initial local share;~~

30 (1-A) The initial state share as defined in
31 section 15914;

32 (2) Proceeds from insured losses;

33 (3) Money from federal sources; and

34 (4) Other noneducational funds, except
35 gifts and moneys from federal revenue shar-
36 ing sources.

1 Sec. 8. 20-A MRSA §15914, first ¶, as enacted by
2 PL 1983, c. 426, §7, is amended to read:

3 It is the intent of the Legislature that, not-
4 withstanding any other statute, the \$30,000,000 debt
5 service limit set forth in section 15905, subsection
6 1, paragraph A, should be allocated so that the state
7 share of all new school construction projects will be
8 funded in the current fiscal year starting with fis-
9 cal year 1993 or as soon thereafter as possible.
10 This section shall not affect projects funded under
11 chapter 609, prior to its implementation. This goal
12 shall be accomplished in the following manner.

13 Sec. 9. 20-A MRSA §15914, sub-§4, as enacted by
14 PL 1983, c. 426, §7, is amended to read:

15 4. State-local allocation share. The ~~state local~~
16 state-local allocation share of a unit's project
17 shall be the total cost of the project, as defined in
18 section 15901, subsection 5, minus the initial state
19 share as determined in subsection 3 ~~of this section,~~
20 ~~and the initial local share as determined in section~~
21 ~~15909, subsection 1.~~

22 The state-local allocation share shall be financed in
23 accordance with section 15909.

24 **Emergency clause.** In view of the emergency cited
25 in the preamble, this Act shall take effect July 1,
26 1985.

27 STATEMENT OF FACT

28 The 4 purposes of this bill are as follows: To
29 permit local administrative units to construct small
30 new structures or additions to existing school build-
31 ings at local expense without undergoing the expen-
32 sive and time-consuming local referendum and State
33 Board of Education approval process; to eliminate the
34 5% or one mill initial local share requirement; to
35 eliminate errors and inconsistencies in the present
36 construction law; and to clarify that projects have
37 to be approved by the voters in a referendum.

1 Sections 1, 2 and 5 add to the current definition
2 of school construction a new category called "small
3 scale school construction projects" which are limited
4 to projects with a maximum of 600 square feet of area
5 and can be used only for storage or custodial pur-
6 poses. The referendum and State Board of Education
7 approval requirements are amended to exclude the
8 small scale school construction projects. The final
9 plans and specifications of all school construction
10 projects must still be approved by the Bureau of Pub-
11 lic Improvements, the Department of Human Services,
12 the State Fire Marshal and the Department of Educa-
13 tional and Cultural Services.

14 Sections 4, 6, 7 and 9 are designed to eliminate
15 all references to the initial local share require-
16 ment. The initial local share was intended to ensure
17 local accountability in school construction projects.
18 This requirement had the effect of offsetting the lo-
19 cal perception of full state funding created by the
20 funding mechanism contained in the School Finance Act
21 of 1978. This mistaken perception developed because
22 the funding mechanism for each debt service payment
23 for a receiving local unit was made by the State and
24 thus resulted in no increase in local taxes. Nearly
25 all local units were contributing to debt service
26 statewide through the subsidy index, regardless of
27 whether or not they had any debt service. The School
28 Finance Act of 1985 requires that each local unit
29 must raise its local share of debt service, up to a
30 limiting "circuit breaker," annually, which results
31 in a direct impact on local taxes. There is no fur-
32 ther need for the initial local share commitment be-
33 cause there can be no question that a favorable vote
34 on a school construction project will result in an
35 increase in local taxes. The removal of this re-
36 quirement will result in no direct cost to the State.
37 The current debt service limit of \$30 million is im-
38 posed on the state-local allocation exclusive of the
39 initial local share. The only effect would be a re-
40 duction of the total annual approval level by an
41 amount equal to the average initial local share which
42 would be an amount ranging from \$250,000 to \$750,000
43 based on the projects approved over the last several
44 years.

1 Sections 5 and 8 are designed to correct
2 inconsistencies created by the School Finance Act of
3 1985. While the debt service limit was increased
4 from \$30 million to \$35 million in the Revised Stat-
5 utes, Title 20-A, section 15905, subsection 1, para-
6 graph A; the Revised Statutes, Title 20-A, section
7 15914, was not changed.

8 Section 3 clarifies that school construction
9 projects must be approved by a referendum in munici-
10 palities which operate their own schools. This
11 amendment clarifies that single municipality school
12 administrative units must vote on their school con-
13 struction projects by referendum the same as is re-
14 quired in school administrative districts and commu-
15 nity school districts. There has been some confusion
16 as to whether use of the term "secret ballot" re-
17 quired a referendum in those municipalities.

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