

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied  
(searchable text may contain some errors and/or omissions)



# 114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

---

Legislative Document

No. 580

S.P. 250

In Senate, March 6, 1989

Reference to the Committee on Education suggested and ordered printed.

A handwritten signature in cursive script, reading "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator ESTES of York.

Cosponsored by Representative HANDY of Lewiston, Representative NORTON of Winthrop and Senator GILL of Cumberland.

---

STATE OF MAINE

---

IN THE YEAR OF OUR LORD  
NINETEEN HUNDRED AND EIGHTY-NINE

---

An Act Relating to the Establishment of Reserve Funds by School Administrative Units.

---



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

3 **Sec. 1. 20-A MRSA §1312, first ¶,** as enacted by PL 1981, c.  
5 693, §§5 and 8, is amended to read:

7 School administrative districts may establish a reserve fund  
9 ~~for school construction projects~~ as follows.

11 **Sec. 2. 20-A MRSA §1312, sub-§1,** as enacted by PL 1981, c.  
13 693, §§5 and 8, is amended to read:

15 **1. Establishment.** A school administrative district may  
17 establish a reserve fund for school construction projects,  
19 financing the acquisition or reconstruction of a specific or type  
21 of capital improvement or financing the acquisition of a specific  
23 item or type of capital equipment by including a request in the  
25 district budget and receiving voter approval. The board of  
27 directors shall be the trustee of the reserve fund. The reserve  
29 fund shall be deposited or invested by the treasurer under the  
31 direction of the board.

33 **Sec. 3. 20-A MRSA §1706** is enacted to read:

35 **§1706. Reserve fund**

37 Community school districts may establish a reserve fund as  
39 follows:

41 **1. Establishment.** A community school district may  
43 establish a reserve fund for school construction projects,  
45 financing the acquisition or reconstruction of a specific or type  
47 of capital improvement or financing the acquisition of a specific  
49 item or type of capital equipment by including a request in the  
51 district budget and receiving voter approval.

The district school committee shall be the trustee of the reserve  
fund. The reserve fund shall be deposited or invested by the  
treasurer under the direction of the school committee.

**2. Deposit or investment.** All district funds, including  
reserve funds and trust funds to the extent that the terms of the  
instrument or vote creating the fund do not prohibit, shall be  
deposited or invested by the treasurer under the direction of the  
district school committee according to the requirements for the  
deposit or investment of municipal funds contained in Title 30-A,  
section 5706.

**3. Expending money from reserve funds.** The district school  
committee 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.

1  
3  
5  
7  
9  
11  
13  
15  
17  
19  
21  
23  
25  
27  
29  
31  
33  
35  
37  
39  
41

Sec. 4. 20-A MRSA §8468 is enacted to read:

§8468. Reserve fund

Vocational regions may establish a reserve fund as follows.

1. Establishment. A vocational region 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 by including a request in the region budget and receiving approval. The cooperative board shall be the trustee of the reserve fund. The reserve fund shall be deposited or invested by the treasurer under the direction of the board.

2. Deposit or investment. All region funds, including reserve funds and trust funds to the extent that the terms of the instrument or vote creating the fund do not prohibit, shall be deposited or invested by the treasurer under the direction of the cooperative board according to the requirements for the deposit or investment of municipal funds contained in Title 30-A, section 5706.

3. Expending money from reserve funds. The cooperative board may expend the sum in the reserve fund as a result of a request in the region budget which is approved. A separate article for that purpose must be set out in the region budget proposal.

**STATEMENT OF FACT**

Sections 1 and 2 of this bill add capital improvement projects and capital equipment acquisition to the existing authorization for school administrative district reserve funds for school construction. Section 3 adds a provision allowing reserve funds in community school districts and establishing conditions for their management and section 4 adds a similar provision for vocational regions.