

# MAINE STATE LEGISLATURE

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# 114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

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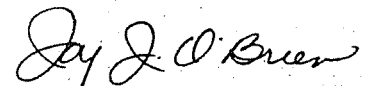
Legislative Document

No. 1244

S.P. 459

In Senate, April 19, 1989

Reference to the Committee on Education suggested and ordered printed.

  
JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator GILL of Cumberland.

Cosponsored by Senator CLARK of Cumberland, Representative REED of Falmouth and Representative HANDY of Lewiston.

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STATE OF MAINE

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

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An Act Relating to School Construction.

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

3 Sec. 1. 20-A MRSA §15901, sub-§1, as enacted by PL 1981, c.  
693, §§5 and 8, is repealed and the following enacted in its  
5 place:

7 1. Approval. "Approval" means approval of a school  
construction project by the state board which indicates:

9 A. Acknowledgement of the local need;

11 B. Approval of site; and

13 C. Approval of the design in terms of its compatibility  
15 with local educational programs.

17 Sec. 2. 20-A MRSA §15902, sub-§3, as enacted by PL 1981, c.  
19 693, §§5 and 8, is amended to read:

21 3. Authority to sell bonds. A school administrative unit  
23 may sell bonds to ~~raise the local share of~~ finance the project  
25 costs.

27 Sec. 3. 20-A MRSA §15903, sub-§1, as amended by PL 1983, c.  
29 35, is further amended to read:

31 1. Application. A school construction project or the minor  
33 capital costs of a project with an estimated cost of more than  
35 \$50,000 \$100,000 shall meet the requirements of this section.

37 Sec. 4. 20-A MRSA §15904, first ¶, as amended by PL 1985, c.  
39 248, §3, is further amended to read:

41 ~~Prior~~ Subsequent to ~~final~~ approval by the state board, a  
43 school construction project, except a small scale school  
45 construction project as defined in section 15901, subsection 4-A,  
47 must receive a favorable vote conducted in accordance with the  
49 following.

51 Sec. 5. 20-A MRSA §15917 is enacted to read:

§15917. State share of up-front risk costs

It is the intent of the Legislature that, notwithstanding  
any other statute, the State shall assume a share of the up-front  
risk costs of school building construction projects in the event  
of an unfavorable state board or local vote.

1. Definitions. As used in this section, unless the  
context otherwise indicates, the following terms have the  
following meanings.



1 the state board is granted at the design-development level, the  
point at which 35% of the total design fee is obligated.

3

5 Experience over the past decade has revealed that attempting  
to accurately estimate costs at the concept design level and thus  
lock in a project budget has created problems at both the state  
7 and local levels once the bids are opened. In some cases the low  
bid is so far above the estimates that the local officials must  
9 undergo the time and expense of a 2nd referendum vote and the  
state board appears to request extra funds. In other cases the  
11 bids are well below estimates, allowing local units to complete  
their projects exactly as planned and in some cases to have  
13 substantial surplus funds. Perhaps the most troublesome  
instance, however, occurs when the low bid is quite high, but by  
15 cutting down on movable equipment and building finishes, e.g.  
split block rather than brick, the project can proceed. This  
17 situation is obviously unfair on a statewide basis.

19 Discussions with members of the design profession have  
revealed that a majority believe that data available at the  
21 design development or 35% level result in much more accurate cost  
estimates. Obviously, this action would alleviate most of the  
23 problems outlined in the previous paragraph.

25 Until the state board grants concept approval and the local  
referendum passes, the future of a project is in doubt. Thus,  
27 the local unit is solely responsible, at the present time, for  
the costs associated with developing the project to the concept  
29 or 10% design level.

31 This bill would permit the state board to require a project  
to be at the design development or 35% level before the board  
33 would act or the referendum be held. The establishment of the  
nonlapsing account would provide the resources necessary for the  
35 State to share in the financial risks involved in proceeding to  
this more sophisticated design level.

37

39 A series of meetings and surveys have revealed that a great  
majority of local school superintendents and school board members  
41 favor the more advanced design work, but only if the State is  
willing to share in the risk.

43 Finally, the risk-sharing will take place only through the  
state board and local referendum vote. Should a project be  
45 aborted at any point beyond this, the local unit is liable, as is  
currently the case.

47

49 The \$1,000,000 nonlapsing account established by this bill  
will not require a new appropriation. The money will be  
reallocated from other fund sources described in the bill.