

# MAINE STATE LEGISLATURE

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# 118th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1997

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Legislative Document

No. 1229

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S.P. 370

In Senate, February 25, 1997

**An Act to Authorize the Conversion and Reuse of the Perry Hayden Hall  
at Pineland Center as an Elementary School.**

(EMERGENCY)

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Reference to the Committee on Education and Cultural Affairs suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator BUTLAND of Cumberland.  
Cosponsored by Senator SMALL of Sagadahoc, Representatives: FOSTER of Gray,  
KONTOS of Windham, SNOWE-MELLO of Poland.

2           **Emergency preamble.** Whereas, Acts of the Legislature do not  
become effective until 90 days after adjournment unless enacted  
as emergencies; and

4  
6           **Whereas,** the Legislature has previously determined that the  
building known as "Perry Hayden Hall" at Pineland Center in the  
Town of New Gloucester and its site be offered to Maine School  
8           Administrative District No. 15, referred to in this Act as "SAD  
15"; and

10  
12           **Whereas,** the studies performed by SAD 15 show that Perry  
Hayden Hall could be converted and used as an elementary school  
at approximately 1/2 the cost of new construction; and

14  
16           **Whereas,** SAD 15 has submitted an application to the State  
Board of Education for construction of an addition to the Russell  
Elementary School at a cost of \$1,490,000. The project is  
18           presently on the special priority list of the State Board of  
Education; and

20  
22           **Whereas,** SAD 15 has also projected a need for construction  
of a new Kindergarten to grade 5 elementary school at an  
estimated cost of \$6,000,000, the project is likely to be  
24           approved by the State Board of Education within the next 5 years;  
and

26  
28           **Whereas,** SAD 15 has determined that the need for both of  
these projects would be eliminated by the renovation and use of  
Perry Hayden Hall at an estimated project cost of \$3,075,000; and

30  
32           **Whereas,** the State and SAD 15 can save approximately  
\$6,785,000 in school construction debt service costs by  
renovating and using Perry Hayden Hall instead of constructing  
34           the proposed addition to the Russell Elementary School and the  
proposed new elementary school; and

36  
38           **Whereas,** these savings will not be realized unless the  
Legislature authorizes SAD 15 to proceed with the renovation of  
Perry Hayden Hall before the building deteriorates further as a  
40           result of its present unheated condition; and

42           **Whereas,** SAD 15 has a critical need for additional classroom  
space that must be met in time for the opening of school in  
44           September of 1998; and

46           **Whereas,** in the judgment of the Legislature, these facts  
create an emergency within the meaning of the Constitution of  
48           Maine and require the following legislation as immediately  
necessary for the preservation of the public peace, health and  
50           safety; now, therefore,

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

4 **Sec. 1. Authority to issue bonds.** The Board of School Directors  
of SAD 15 are authorized to issue bonds or notes in the name of  
6 the district for school construction purposes in an amount not to  
exceed \$3,075,000 to do renovations and construct an addition to  
8 the Perry Hayden Hall at Pineland Center in the Town of New  
Gloucester in order to convert that building to an elementary  
10 school.

12 **Sec. 2. Special priority list.** The school construction project  
authorized in section 1 of this Act must be placed on the special  
14 priority list of the State Board of Education in place of the  
district's Russell Elementary School project that was placed on  
16 the special priority list by the State Board of Education in  
January of 1994. The project authorized in section 1 must be  
18 given concept approval by the State Board of Education  
immediately following the effective date of this Act and the  
20 project must be granted funding approval under the rules for  
school construction of the State Board of Education following the  
22 approval of the project by the voters in accordance with section  
5 of this Act. The State Board of Education shall grant final  
24 funding approval for the project, subject to the condition that  
the Commissioner of Education may not approve the issuance of  
26 bonds for the permanent financing of the project prior to fiscal  
year 1998-99, provided that the district may issue bond  
28 anticipation notes in an amount not to exceed \$3,075,000 for  
construction of the project at any time subsequent to funding  
30 approval by the State Board of Education. The funding approval  
granted by the State Board of Education must be final in all  
32 respects and is not subject to rescission, revocation or  
modification during the period prior to the issuance of bonds for  
34 the permanent financing of the project. SAD 15 and those  
providing bond anticipation financing to the district may rely on  
36 the finality of the funding approval granted to this project.  
The Commissioner of Education shall approve the issuance of bonds  
38 for permanent financing of the project during fiscal year 1998-99.

40 **Sec. 3. Costs of temporary borrowing.** The estimated net  
interest cost of temporary borrowing for the project must be  
42 included as a project cost and funded by the issuance of bonds  
for the permanent financing of the project. If the cost of  
44 temporary borrowing exceeds the estimated amount included as a  
project cost, the additional net interest cost of temporary  
46 borrowing must be included in the district's state and local  
allocation for debt service.

48 **Sec. 4. Locally funded debt services costs.** For each of the first  
50 5 fiscal years during which the district incurs debt

2 service costs on the bonds issued to provide permanent financing  
for the project, SAD 15 is solely responsible for \$82,500 of  
4 those debt service costs. These locally funded amounts must be  
paid from local funds without state participation and are not  
6 eligible for inclusion in the district's allocation for debt  
service for purposes of calculating state subsidy under the Maine  
Revised Statutes, Title 20-A, chapter 606 and 606-A. These 5  
8 payments of \$82,500 locally funded amounts must be subtracted  
from the district's allocation of debt service before the local  
10 and state share of the district's debt service allocation is  
calculated pursuant to Title 20-A, section 15611. These 5  
12 payments of \$82,500 locally funded amounts are not included for  
purposes of calculating the debt service millage limit  
14 established by Title 20-A, section 15607, subsection 2 or the  
amount subject to the maximum debt service limit established by  
16 Title 20-A, section 15905, subsection 1. In addition to these  
locally funded amounts, the district is responsible for the local  
18 share of debt service allocation calculated in accordance with  
state law.

20

**Sec. 5. Local referendum vote.** This Act must be submitted to  
22 the voters of the municipalities that comprise SAD 15 at a  
referendum conducted in accordance with the Maine Revised  
24 Statutes, Title 20-A, sections 1351 to 1354 and section 15904.  
The Board of School Directors of SAD No. 15 shall prepare the  
26 required ballots and submit a question to the voters in  
substantially the following form:

28

"Do you favor authorizing the Board of School Directors of  
30 the Maine School Administrative District No. 15 to acquire  
for \$1 from the State of Maine, the building known as "Perry  
32 Hayden Hall" and approximately 20 acres of land at Pineland  
Center in the Town of New Gloucester and to issue bonds or  
34 notes in the name of this district for school construction  
purposes in an amount not to exceed \$3,075,000 for the  
36 purpose of doing renovations and constructing an addition to  
the building in order to covert the building for reuse by  
38 the district as an elementary school?"

40

The question must also include the information required  
42 pursuant to the Maine Revised Statutes, Title 20-A, section  
15904, subsection 4, paragraphs C and D and the following  
44 statement that the Maine School Administrative District No. 15 is  
responsible for \$82,500 in locally funded debt service costs for  
46 each of the first 5 fiscal years after the issuance of bonds for  
the permanent financing of the project and, in addition, is  
responsible for the local share of debt service allocation to be  
48 calculated in accordance with state law.

2           The voters shall indicate their opinion on the question by a  
cross or check mark placed beside the word "Yes" or "No."

4           **Emergency clause.** In view of the emergency cited in the  
preamble, this Act takes effect when approved.

6

8

**SUMMARY**

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          This bill authorizes the Board of School Directors of Maine  
School Administrative District No. 15 to seek approval from the  
12 voters of the towns comprising the district to raise funds for  
the conversion of Perry Hayden Hall at Pineland Center for use as  
14 an elementary school. The conversion project will replace the  
district's Russell Elementary School project that is presently on  
16 the special priority list of the State Board of Education and  
will eliminate the need for construction of a new Kindergarten to  
18 grade 5 elementary school. Maine School Administrative District  
No. 15 may not issue bonds for the permanent financing of this  
20 project until fiscal year 1998-99 and must treat \$82,500 of the  
debt service on the project for each of the first 5 years as  
22 locally funded debt service without state participation.