

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
123RD LEGISLATURE
FIRST REGULAR SESSION

HOUSE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to H.P. 383,
L.D. 499, Bill, "An Act Making Unified Appropriations and Allocations for the
Expenditures of State Government, General Fund and Other Funds, and Changing Certain
Provisions of the Law Necessary to the Proper Operations of State Government for the
Fiscal Years Ending June 30, 2008 and June 30, 2009"

Amend the amendment in Part XXXX by striking out all of section 11 (page 750, line
36 and page 751, lines 1 to 4 in amendment)

Amend the amendment in Part XXXX in section 13 in §1461 in subsection 3 in
paragraph A in subparagraph (12) in the last line (page 753, line 30 in amendment) by
inserting after the following: "achieved" the following: 'and an estimate of any cost
increases that may be caused by the formation of a regional school unit'

Amend the amendment in Part XXXX in section 13 in §1461 in subsection 3 by
striking out all of paragraph B (page 753, lines 34 to 37 and page 754, lines 1 to 23 in
amendment) and inserting the following:

'B. The proposed regional school unit must serve not fewer than 2,500 students, unless the population density within the regional school unit is less than 100 persons per square mile as reported by the most recent federal Decennial Census or federal estimated census. If the population density within the regional school unit is less than 100 persons per square mile, the regional school unit must serve not fewer than 1,200 students, except for offshore islands and schools operated by tribal school committees. Exceptions to the 1,200 student limit must be provided for geographically isolated school administrative units, including offshore islands not connected by road or bridge to the mainland, and geographic regions of the State where the population density is less than 30 inhabitants per square mile according to the most recent federal Decennial Census or federal estimated census, and for schools operated by tribal school committees. If, after performing due diligence to develop a regional plan that meets the 2,500 resident student goal, a school administrative unit with a population density of more than 100 persons per square mile is surrounded by adjacent municipalities or school administrative units that have developed plans to form regional school units with other municipalities or school administrative units, the commissioner shall approve the municipality or school administrative unit as a

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1 regional school unit, if the municipality or school administrative unit has more than
2 1,200 resident students.'

3 Amend the amendment in Part XXXX in section 13 by striking out all of §1478 (page
4 769, lines 31 to 33 in amendment) and inserting the following:

5 **'§1478. School union as regional school unit**

6 Notwithstanding any other provision of law, a school union qualifies as a regional
7 school unit pursuant to this chapter if the school union meets the applicable minimum
8 resident student requirement of this chapter.'

9 Amend the amendment in Part XXXX in section 13 in §1485 in subsection 1 by
10 striking out all of paragraph A (page 772, lines 32 to 37 and page 773, lines 1 to 6 in
11 amendment) and inserting the following:

12 **'A. Expenditures:**

13 (1) Prekindergarten to grade 12 instruction, excluding special education;

14 (2) Instructional support, excluding special education;

15 (3) Special education;

16 (4) System and school administration;

17 (5) Facilities maintenance;

18 (6) Transportation and buses;

19 (7) Debt service; and

20 (8) Other commitments.'

21 Amend the amendment in Part XXXX in section 13 in §1485 in subsection 1 by
22 striking out all of paragraph F (page 773, lines 21 to 23 in amendment) and inserting the
23 following:

24 'F. For fiscal year 2008-09, data documenting any state and local savings and
25 documenting any cost increases resulting from the reorganization to regional school
26 units and the resulting mill rate reduction or increase for each municipality.'

27 Amend the amendment in Part XXXX in section 13 by striking out all of §§1486 and
28 1487 (page 774, lines 1 to 42 and page 775, lines 1 to 41 in amendment) and inserting the
29 following:

30 **'§1486. Budget adoption procedures**

31 Except as otherwise provided in section 15671-A with respect to proposed school
32 budgets that exceed the maximum state and local spending targets, school budget
33 adoption procedures must be controlled by municipal charter, municipal ordinance and

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1 municipal election laws for municipal school units; by sections 1304 to 1309 for school
2 administrative districts; by sections 1701 to 1701-B for community school districts; and
3 by section 1903 for system administration budgets for school unions.

4 **§1487. Failure to pass budget**

5 If a budget for the operation of a regional school unit is not approved prior to July
6 1st, the latest budget as submitted by the regional school unit board is automatically
7 considered the budget for operational expenses for the ensuing year until a final budget is
8 approved, except that, when the regional school unit board delays the regional school unit
9 budget meeting in accordance with section 15693, subsection 2, paragraph C, the
10 operating budget must be approved within 30 days of the date the commissioner notifies
11 the regional school unit board of the amount allocated to the regional school unit under
12 section 15689-B, or the latest budget submitted by the regional school unit board
13 becomes the operating budget for the next school year.'

14 Amend the amendment in Part XXXX in section 13 in §1501 by inserting after
15 subsection 1 the following:

16 **'2. Required district referendum.** The regional school unit board shall initiate a
17 district referendum when requested by a written petition of at least 10% of the number of
18 voters voting for the gubernatorial candidates in the last gubernatorial election in the
19 municipalities within the district. At that referendum, the school board shall place before
20 the voters the specific article that has been requested by the petitioners.'

21 Amend the amendment in Part XXXX by striking out all of section 16 (page 788,
22 lines 36 to 40 in amendment)

23 Amend the amendment in Part XXXX by inserting after section 18 the following:

24 **'Sec. XXXX-19. 20-A MRSA §1904,** as enacted by PL 2005, c. 130, §3, is
25 amended to read:

26 **§1904. Fiscal authority**

27 The superintendent of a school union may be designated as the treasurer of the school
28 union and, notwithstanding section 1902, subsection 3, paragraph F, the union committee
29 of a school union may perform the functions of fiscal agent for the school administrative
30 units in the school union if a majority of the voters in each municipality agree to these
31 designations through a referendum or at a town meeting. The article that is placed before
32 the voters in each municipality must state the specific functions to be performed by the
33 fiscal agent, must state that the agreement under which the union committee may perform
34 the functions of fiscal agent may not exceed a period of 3 10 years and must also include
35 a schedule for regular payment of the warrants approved in each municipality to the union
36 committee. The school union must provide the municipalities with accounting records
37 after an audit has been completed and delivered to the superintendent. An agreement
38 under which the union committee performs the functions of fiscal agent may be renewed
39 for a period not to exceed 3 10 years. Each renewal may be approved only in accordance
40 with the procedures described in this section.'

1 Amend the amendment in Part XXXX by striking out all of section 21 (page 789,
2 lines 9 to 13 in amendment)

3 Amend the amendment in Part XXXX by striking out all of section 32 (page 793,
4 lines 22 to 38 and page 794, lines 1 and 2) and inserting the following:

5 'Sec. XXXX-32. 20-A MRSA §15696 is enacted to read:

6 **§15696. Penalties for nonconforming school administrative units**

7 **1. Authorized adjustments.** Notwithstanding any other provision of this Title, the
8 adjustments described in this subsection to the calculation of subsidy under chapter 606-B
9 are required beginning July 1, 2009 for a school administrative unit that is not a
10 conforming school administrative unit. The nonconforming school administrative unit's
11 state subsidy must be reduced by an amount equal to 50% of the legislatively approved
12 elementary school level, middle school level and high school level per pupil essential
13 programs and services rate for system administration applied to the number of resident
14 pupils at each school level in that school administrative unit, as of July 1, 2009 until such
15 time as the school administrative unit is compliant with the applicable minimum number
16 of resident pupils requirement, provided that this penalty does not apply to any school
17 administrative unit that has been designated as an approved exception to the minimum
18 resident pupil requirement, nor to any municipal school administrative unit whose voters
19 have approved a reorganization plan under section 1461 but that has not been issued a
20 certificate of organization because one or more other municipalities have failed to
21 approve the reorganization plan. If a reorganization planning committee fails to submit
22 proposed reorganization plans as required by this section, or if reorganization plans are
23 disapproved by the commissioner, or if one or more of the municipalities fail to approve a
24 reorganization plan approved by the commissioner, the commissioner shall submit a
25 report to the joint standing committee of the Legislature having jurisdiction over
26 education matters that the reorganization planning committee or the nonapproving
27 municipalities have not met the school reorganization goals of this chapter. A school
28 administrative unit or group of school administrative units of a proposed size or
29 organizational structure previously disapproved by the commissioner are authorized to
30 submit legislation for the purpose of being established as a school administrative unit
31 eligible for certification pursuant to this chapter.

32 Notwithstanding any other provision of law, penalties may not be imposed on a school
33 administrative unit that is designated as an efficient, high-performing district. A school
34 administrative unit must be designated an efficient, high-performing district if:

35 **A.** At least 50% of its schools are identified as higher performing in the Maine
36 Education Policy Research Institute report, "The Identification of Higher and Lower
37 Performing Maine Schools" (May 2007); and

38 **B.** Its reported 2005-06 per pupil expenditures for system administration represent
39 less than 4% of its total per pupil expenditures.'

40 Amend the amendment in Part XXXX in section 35 by striking out all of subsections
41 1 and 2 (page 794, lines 13 to 42 and page 795, lines 1 to 9 in amendment) and inserting
42 the following:

PLS

1 **1. Meetings to be convened in each career and technical education region.** Not
2 later than July 15, 2007, the Commissioner of Education, or the commissioner's designee,
3 shall convene one or more meetings in each of the career and technical education regions
4 in the State to present information about the requirements of this Part regarding
5 consolidation and collaboration among school administrative units.

6 A. The Commissioner of Education shall provide notice of the meeting or meetings
7 to municipal officials and school officials from the municipalities and school
8 administrative units within the region, as well as to the general public.

9 B. In addition to other information presented at the meeting, the Commissioner of
10 Education shall provide one or more maps showing the suggested alignment of
11 municipalities and other school administrative units designed to increase efficiency
12 and improve educational quality and to meet the requirements of subsection 6.

13 C. Maps presented by the Commissioner of Education and alignment options
14 considered by school administrative unit representatives must be guided by:

15 (1) The intent and goals set forth in Title 20-A, section 1451; and

16 (2) The intent that school units existing on the effective date of this Act be
17 reorganized into regional units serving not fewer than 2,500 resident students
18 unless the population density within the regional school unit is less than 100
19 persons per square mile as reported by the most recent federal Decennial Census
20 or federal estimated census. If the population density within the regional school
21 unit is less than 100 persons per square mile, the regional school unit must serve
22 not fewer than 1,200 students. Exceptions to the 1,200 student limit must be
23 provided for geographically isolated school administrative units, including
24 coastal islands not connected by road or bridge to the mainland, and geographic
25 regions of the State where the population density is less than 30 inhabitants per
26 square mile according to the most recent federal Decennial Census or federal
27 estimated census, and for schools operated by tribal school committees.

28 **2. Notice of intent.** By August 31, 2007, each school administrative unit shall file
29 with the Commissioner of Education:

30 A. A notice of intent to engage in planning and negotiations with other school
31 administrative units for the purpose of developing a reorganization plan to form a
32 regional school unit under this Part and Title 20-A, chapter 103-A; or

33 B. A notice of intent to submit an alternative plan that meets the requirements of
34 subsection 6, paragraph F. An alternative plan may be submitted only by a unit that
35 is:

36 (1) An offshore island;

37 (2) A school operated by a tribal school committee pursuant to the Maine
38 Revised Statutes, Title 30, section 6214;

39 (3) A school administrative unit that serves more than 2,500 students, or 1,200
40 students where population density justifies an exception to the requirement of
41 2,500 students under subsection 6; or

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1 (4) An efficient, high-performing district as described in the Maine Revised
2 Statutes, Title 20-A, section 15696, subsection 1.

3 The Commissioner of Education shall respond to each notice of intent by September 15,
4 2007, indicating whether the intended action complies with the requirements of this Part.
5 '

6 Amend the amendment in Part XXXX in section 35 in subsection 5 in paragraph L in
7 the last line (page 796, line 12 in amendment) by inserting after the following: "reduced"
8 the following: 'and an estimate of any cost increases that may be caused by the formation
9 of a regional school unit'

10 Amend the amendment in Part XXXX in section 35 by striking out all of subsection 6
11 (page 796, lines 15 to 41 and page 797, lines 1 to 15 in amendment) and inserting the
12 following:

13 '6. Parameters. In developing a reorganization plan for school administrative units
14 in existence on the effective date of this Part, the governing bodies of school
15 administrative units shall work within the following parameters.

16 The proposed regional school unit must serve not fewer than 2,500 students, unless the
17 population density within the regional school unit is less than 100 persons per square mile
18 as reported by the most recent federal Decennial Census or federal estimated census. If
19 the population density within the regional school unit is less than 100 persons per square
20 mile, the regional school unit must serve not fewer than 1,200 students, except for
21 offshore islands and schools operated by tribal school committees. Exceptions to the
22 1,200 student limit must be provided by geographically isolated school administrative
23 units, including offshore islands not connected by road or bridge to the mainland, and
24 geographic regions of the State where the population density is less than 30 inhabitants
25 per square mile according to the most recent federal Decennial Census or federal
26 estimated census and for schools operated by tribal school committees.

27 The plan must reorganize administrative functions, duties and noninstructional personnel
28 in order that the following be accomplished.

29 Each school administrative unit shall develop a plan to reduce costs by reorganizing
30 administrative and noninstructional functions through collaboration, shared service
31 arrangements, administrative reorganizations and other cost containment measures in
32 order to achieve the legislative goal of reducing projected state and local expenditures in
33 fiscal year 2008-09 for transportation, facilities and maintenance and other
34 noninstructional functions by 5% from projected expenditures for those purposes in fiscal
35 year 2007-08 as adjusted for inflation. The plan must be considered by the governing
36 body during the budget preparation process and must be made available to the public with
37 the budget document.'

38 Amend the amendment in Part XXXX in section 35 by striking out all of subsection 8
39 (page 797, lines 32 to 42 and page 798, lines 1 to 19 in amendment) and inserting the
40 following:

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1 '8. Referendum on reorganization plan. The municipal officers of each
2 municipality in a proposed reorganized school administrative unit shall place a warrant
3 article substantially as follows on the ballot of a municipal referendum in accordance
4 with the referendum procedures applicable to the school administrative unit of which the
5 municipality is a member. A referendum may be held on or before January 15, 2008, but
6 if not, a referendum must be held by November 8, 2008.

7 "Article: Do you favor approving the school administrative reorganization plan
8 prepared by the (insert name) Reorganization Planning Committee to reorganize
9 (insert names of affected school administrative units) into a regional school unit, with
10 an effective date of _____?"

11 Yes/No"

12 The following statement must accompany the article:

13 "Explanation:

14 A "YES" vote means that you approve of the (municipality or school administrative
15 unit) joining the proposed regional school unit.

16 A "NO" vote means that you do not approve of the (municipality or school
17 administrative unit) joining a regional school unit."

18 The Department of Education shall pay the cost of a referendum conducted on or before
19 January 15, 2008.'

20 Amend the amendment in Part XXXX in section 42 by striking out all of subsection 5
21 (page 802, lines 21 to 46 and page 803, lines 1 and 2 in amendment) and inserting in its
22 place the following:

23 '5. Transfer of teachers and employees. Except as limited by paragraph A, for
24 regional school units approved prior to January 16, 2008, all teachers and school
25 employees who are employed by a participating school administrative unit or a school
26 union on June 30, 2008 must be transferred to and employed by the regional school unit
27 as of July 1, 2008. Except as limited by paragraph A, for regional school units approved
28 after January 15, 2008 and before November 5, 2008, all teachers and school employees
29 who are employed by participating school administrative units or a school union on June
30 30, 2009 must be transferred and employed by the regional school unit as of July 1, 2009.
31 Except as limited by paragraph B, the regional school unit shall assume all of the legal
32 obligations and duties that the participating school administrative units or school unions
33 owed to their employees, including but not limited to those obligations and duties arising
34 under federal law, state law, collective bargaining agreements and individual employment
35 contracts. It is the intent of this Part to neither decrease nor increase the rights and
36 benefits of transferred employees or the employer. The regional school unit shall also
37 maintain and honor any agreements, contracts or policies regarding the rights and benefits
38 of retirees and former employees created by a participating school administrative unit that
39 is dissolved as a result of its inclusion within a regional school unit.

40 A. For regional school units approved prior to January 16, 2008, teachers or other
41 employees whose employment terminates by application of law or contract or by

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1 action of a participating school administrative unit before July 1, 2008 may not be
2 transferred. For regional school units approved after January 15, 2008 and before
3 November 5, 2008, teachers or other employees whose employment terminates by
4 application of law or contract or by action of a participating school administrative
5 unit before July 1, 2009 may not be transferred.

6 B. Teachers and other employees who are transferred to the regional school unit
7 prior to the completion of the applicable probationary period for their position have
8 the length of their probationary period calculated from the date of their most recent
9 date of employment by the participating school administrative unit.'

10 Amend the amendment by relettering or renumbering any nonconsecutive Part letter
11 or section number to read consecutively.

12 **SUMMARY**

13 This amendment allows local referendums on consolidation plans as soon as January
14 15, 2008, but no later than November 8, 2008.

15 It eliminates the mandate that all school units use the budget validation referendum
16 process and allows school administrative units to continue to use the budget approval
17 processes that they are currently using.

18 It reduces the number of cost centers in the regional school unit budget format from
19 11 to 8.

20 It preserve the option under existing law that allows voters to petition to add warrant
21 articles to a referendum ballot.

22 It permits existing or new school unions to qualify as regional school units if they
23 meet the minimum student requirements and authorizes agreements allowing the school
24 union committee to act as fiscal agent for member school administrative units for a period
25 of up to 10 years.

26 It establishes size limits for regional school units based on population density and
27 provides that the size limitations do no apply to offshore island schools, tribal schools and
28 geographically remote areas.

29 It provides an objective standard for allowing exceptions to the 2,500 and 1,200
30 student minimums, basing such exceptions solely on population density.

31 It provides that the penalty for failing to conform with the consolidation provisions is
32 a reduction in state subsidy in an amount equal to 50% of the essential programs and
33 services allocation rates for school administration applied to the number of students at
34 each school level in that school administrative unit.

35 It allows administrative units that can demonstrate both high performance and
36 efficient operation to avoid mandatory consolidation and penalties for failure to
37 participate in mandatory consolidation.

38 It includes language that was omitted from the Maine Revised Statutes, Title 20-A,
39 section 1487.

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1 It continues to allow local school units to spend local funds, with voter approval,
2 above the state-determined rate for system administration.

3 It requires all regional school units to report any estimated and actual cost increases,
4 as well as cost savings, resulting from consolidation.

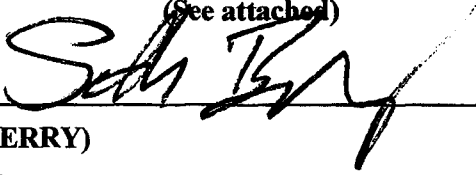
5 It requires that each school administrative unit develop a plan to achieve a 5%
6 reduction in transportation, special education and facilities and maintenance expenditures
7 and eliminates the mandated 5% reduction in these areas. The plan must be considered
8 by the governing body during the budget preparation and must be made available to the
9 public with the budget document.

10 It clarifies that school union employees have the same transfer rights as school
11 administrative unit employees.

12 FISCAL NOTE REQUIRED

13 (See attached)

14 SPONSORED BY:



15 (Representative BERRY)

16 TOWN: Bowdoinham

HOUSE AMENDMENT



123rd MAINE LEGISLATURE

LD 499

LR 2452(29)

An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds, and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2008 and June 30, 2009

Fiscal Note for House Amendment "A" to Committee Amendment "A"

Sponsor: Rep. Berry of Bowdoinham

Fiscal Note Required: Yes

Fiscal Note

No net fiscal impact

Fund Detail by Section

Fiscal Detail and Notes

This amendment does not affect General Fund appropriations during the 2008-2009 biennium and a balanced budget maintained.