

# MAINE STATE LEGISLATURE

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R. G. S.

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

HOUSE AMENDMENT "S" 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 by striking out all of Part XXXX and inserting the following:

PART XXXX

Sec. XXXX-1. 20-A MRSA §1, sub-§20-A is enacted to read:

20-A. Previous education unit. "Previous education unit" means a state-approved unit of school administration that was responsible for operating or constructing public schools prior to the reorganization of school administrative units pursuant to chapter 103-A.

Sec. XXXX-2. 20-A MRSA §1, sub-§24-B is enacted to read:

24-B. Regional school unit. "Regional school unit" means the state-approved unit of school administration as established pursuant to chapter 103-A. Notwithstanding any other provision of law, a school union qualifies as a regional school unit if it meets the minimum resident student parameters specified in section 1455.

Sec. XXXX-3. 20-A MRSA §1001, sub-§3, as amended by PL 2001, c. 588, §5, is further amended to read:

3. Selection of superintendent. They shall select a superintendent or contract for administrative services in accordance with section 1051 to carry out the duties specified in section 1055.

Sec. XXXX-4. 20-A MRSA §1051, sub-§7 is enacted to read:

7. Superintendent not required. Notwithstanding the other provisions of this section, a school administrative unit with fewer than 200 resident pupils is not required to employ a superintendent of schools and may contract for those administrative services with another school administrative unit, an educational advisory organization reorganized under Title 30-A, section 5724 or the department. A school administrative unit,

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1 educational advisory organization or the department in providing administrative services  
2 under this subsection has the rights and duties of a superintendent under this subchapter.

3 **Sec. XXXX-5. 20-A MRSA c. 103-A is enacted to read:**

4 **CHAPTER 103-A**

5 **REORGANIZATION OF SCHOOL ADMINISTRATIVE UNITS**

6 **§1451. Organization of regional school units**

7 This chapter governs the reorganization of the State's school administrative units. It  
8 is declared the policy of the State to provide sufficient resources to support the  
9 reorganization of school administrative units into school systems of the size and structure  
10 identified in this chapter in order to provide:

11 1. Opportunity. Equitable educational opportunity for all students to demonstrate  
12 achievement of the content standards of the State's system of learning results established  
13 in section 6209;

14 2. Programs. Rigorous academic programs that meet the requirements of the system  
15 of learning results established in section 6209 and that prepare students for college,  
16 careers and citizenship;

17 3. Delivery. The delivery of the academic programs that meet the requirements of  
18 the system of learning results established in section 6209;

19 4. Tax rates. A general uniformity of school tax rates;

20 5. Sustainability. The efficient use of limited resources in order to achieve long-  
21 term sustainability and predictability in the support of public schools;

22 6. Public funds. A more effective use of the public funds expended for the support  
23 of public schools by means of the creation of more cost-efficient organizational  
24 structures; and

25 7. School choice. The preservation of existing opportunities for choice of schools.

26 **§1452. State and local cost reduction goals**

27 1. Cost reduction plans. By February 1, 2008, every school administrative unit and  
28 school union shall develop a plan to reduce costs by reorganizing administrative and  
29 noninstructional functions through collaboration, shared service arrangements,  
30 administrative reorganizations and other cost containment measures in order to achieve  
31 the legislative goal of reducing projected state and local expenditures in fiscal year  
32 2008-09 for transportation, facilities and maintenance and other noninstructional  
33 functions by 5% from projected expenditures for those purposes in fiscal year 2007-08 as  
34 adjusted for inflation.

35 2. Adjustment to achieve 5% reduction. The commissioner shall adjust the total  
36 cost of the components of essential programs and services for transportation, facilities  
37 and maintenance and other noninstructional functions in fiscal year 2008-09 to achieve a  
38 5% reduction from the essential programs and services allocations for those purposes in  
39 fiscal year 2007-08 as adjusted for inflation.

1 3. Adjustment for system administration. The commissioner shall adjust the cost  
2 components of essential programs and services for system administration for fiscal year  
3 2008-09 to the per-pupil amount based on school year 2005-2006 system administration  
4 expenditures, reduced by 50% and inflated to an estimated allocation year level by a 10-  
5 year average increase in the Consumer Price Index or other comparable index.

6 **§1453. Reorganization of school administrative units**

7 Not later than July 1, 2009, school administrative units in existence on the effective  
8 date of this chapter shall complete a reorganization that creates regional state-approved  
9 units of school administration that:

10 1. York and Cumberland. In York County and Cumberland County, serve at least  
11 2,500 resident students, except that regional school administrative units in those counties  
12 with fewer than 100 people per square mile as determined by the most recent Federal  
13 Decennial Census must serve at least 1,200 students, with approved exceptions; and

14 2. All other counties. In all other counties, serve at least 1,200 students, with  
15 approved exceptions.

16 In completing the reorganization under this section, school administrative units shall  
17 strive to create 80 regional state-approved units of school administration or a number that  
18 meets the administrative efficiencies desired by the Legislature.

19 **§1454. Reorganization planning committees**

20 1. Establishment of reorganization planning committees. To accomplish the  
21 purposes of this chapter, the commissioner shall assist in the establishment of  
22 reorganization planning committees comprising all of the school administrative units in  
23 the State.

24 2. Boundaries. The boundaries of the reorganization planning committees are as  
25 follows.

26 A. On the effective date of this chapter, the provisional boundaries of the  
27 reorganization planning committees are the boundaries of the State's career and  
28 technical education regions and centers.

29 B. By August 1, 2007, any existing educational service or joint planning  
30 collaborative or similar group of school administrative units may apply to the  
31 commissioner for designation as a reorganization planning committee. The  
32 commissioner shall approve such applications upon a finding that the composition of  
33 the reorganization planning committee is consistent with the goals and purposes of  
34 this chapter and that the school administrative units seeking such designation have a  
35 history of working together on a cooperative basis toward achievement of educational  
36 goals, providing educational services or seeking greater efficiencies in the delivery of  
37 educational services.

38 C. If approval of an application for designation as a reorganization planning  
39 committee under paragraph B reduces the geographic area and the number of school  
40 administrative units within a reorganization planning committee's jurisdiction as  
41 provisionally established under paragraph A so that the commissioner finds that it is  
42 no longer consistent with the goals and purposes of this chapter, the commissioner, in

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1 consultation with affected school boards and superintendents, may reassign affected  
2 school administrative units to other reorganization planning committees.

3 D. No later than September 1, 2007, any existing school administrative unit or school  
4 union may apply to the commissioner for reassignment from the reorganization  
5 planning committee to which it is provisionally assigned pursuant to paragraph A to  
6 another reorganization planning committee. After consulting with affected school  
7 boards and superintendents, the commissioner shall approve such application upon a  
8 finding that the reassignment is consistent with the purposes of this chapter. If the  
9 commissioner finds that the reassignment will not be consistent with the goals and  
10 purposes of this chapter, the commissioner, in consultation with affected school  
11 boards and superintendents, may either reassign the remaining school administrative  
12 units and school unions to another reorganization planning committee or deny the  
13 application.

14 E. No later than September 15, 2007, the commissioner shall determine the final  
15 boundaries of the reorganization planning committees.

16 F. In carrying out the duties required by this chapter, reorganization planning  
17 committees and their participating school administrative units and school unions shall  
18 engage in joint planning to develop school reorganization plans. At any time during  
19 the planning process, a school administrative unit or school union that proposes to  
20 participate in a school reorganization plan with one or more school units or school  
21 unions in another reorganization planning committee may petition the commissioner  
22 for permission to transfer from its designated reorganization planning committee to  
23 another reorganization planning committee. The commissioner may approve such a  
24 transfer after consulting with affected reorganization planning committees upon a  
25 finding that the proposed transfer will further the purposes and goals of this chapter.  
26 If such approval is granted, the education, municipal and public representatives of the  
27 school administrative units or school unions petitioning for the transfer become  
28 members of the reorganization planning committee to which the school  
29 administrative units or school unions have been transferred.

30 3. Composition of reorganization planning committees. Each reorganization  
31 planning committee consists of the following members:

32 A. One education representative from each school union and each school  
33 administrative unit that is not a member of a school union in the reorganization  
34 planning committee. Each education representative must be selected by that  
35 representative's respective school board or school union board;

36 B. One municipal representative from the municipalities within each school union  
37 and one municipal representative from each school administrative unit that is not a  
38 member of a school union in the reorganization planning committee. Each municipal  
39 representative must be selected by a caucus of the municipal officers of the  
40 municipalities within each respective school administrative unit or school union; and

41 C. Six members of the general public, appointed by a vote of the municipal and  
42 school officials serving as members of the regional planning committee, except that  
43 the number of public members may not exceed the number of school or municipal  
44 members.

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1 The composition of the governing body of an existing educational service or joint  
2 planning collaborative group approved as a reorganization planning committee by the  
3 commissioner under subsection 2, paragraph B remains unchanged.

4 The respective appointing authorities shall fill any vacancy that occurs for the respective  
5 member.

6 4. Call of meeting; quorum. Upon the determination of the members of a  
7 reorganization planning committee, the commissioner shall call the initial meeting of the  
8 reorganization planning committee by notifying each member of the date, time and place  
9 of that meeting. At the initial meeting of the reorganization planning committee, 1/2 of  
10 the members constitutes a quorum. If a quorum is not present, the members present shall  
11 continue the meeting to a later date. Once a quorum is present, the members may adopt  
12 rules of procedure, elect officers and conduct other lawful business they consider  
13 appropriate.

14 **§1455. Initial school reorganization plans**

15 The reorganization planning committees shall develop plans for reorganization of  
16 school administrative units according to the standards established by this section.

17 1. Parameters of reorganization plans. In developing a reorganization plan for  
18 school administrative units in existence during the 2007-2008 school year, the  
19 reorganization planning committees shall work within the following parameters:

20 A. Each regional school administrative unit located in York County or Cumberland  
21 County must serve at least 2,500 students, except that regional school units in York  
22 County or Cumberland County with fewer than 100 people per square mile as  
23 determined by the most recent Federal Decennial Census must serve at least 1,200  
24 students and each regional school unit in all other counties must serve at least 1,200  
25 students, with approved exceptions pursuant to paragraph C or D;

26 B. Each reorganized school administrative unit or school union in all counties except  
27 York and Cumberland must serve no fewer than 1,200 students, with approved  
28 exceptions pursuant to paragraph C or D;

29 C. Exceptions must be made for geographically isolated school administrative units  
30 including coastal islands not connected by road or bridge to the mainland and  
31 geographic regions of the State where the population density is less than 30  
32 inhabitants per square mile according to the most recent Federal Decennial Census;

33 D. Exceptions must be made for school administrative units that are efficient, high-  
34 performing districts. A school administrative unit is an efficient, high-performing  
35 district if:

36 (1) At least 3 schools in the school administrative unit are identified as "higher  
37 performing" in the May 2007 Maine Education Policy Research Institute report  
38 "The Identification of Higher and Lower Performing Maine Schools"; and

39 (2) The school administrative unit's reported 2005-2006 per-pupil expenditures  
40 for system administration represent less than 4% of its total per-pupil  
41 expenditures;

1 E. The plan may not displace teachers or students or close any schools existing and  
2 operating during the 2008-2009 school year, except as school closings are permitted  
3 under section 4102.

4 **§1456. Department responsibilities**

5 The department has the following responsibilities in implementing this chapter:

6 1. Reorganization models. Preparing at the request of a reorganization planning  
7 committee one or more models for the reorganization of school administrative units  
8 consistent with the provisions of section 1455;

9 2. Data. Assisting all reorganization planning committees in the collection and  
10 presentation of data pertinent to the charge established by this chapter;

11 3. Meetings. Assisting in the organization of the meetings and caucuses required by  
12 this chapter to establish reorganization planning committees and to prepare reorganization  
13 plans as provided in section 1457;

14 4. Facilitation services. Providing or contracting for facilitation services to be  
15 provided to the reorganization planning committees to ensure their ability to fulfill the  
16 charges required by this chapter; and

17 5. Adjustment of rates. Adjusting, with legislative approval, the essential programs  
18 and services rates for transportation, facilities and maintenance, other noninstructional  
19 services and system administration to reflect the cost reduction requirements of section  
20 1452, subsections 2 and 3; section 15680, subsection 1, paragraphs A and B; section  
21 15681-A, subsections 2-A and 3-A.

22 **§1457. Cost sharing**

23 A regional school unit may raise money, in addition to the local contribution pursuant  
24 to section 15690, subsection 1, for establishing and maintaining public schools, erecting  
25 buildings and providing equipment and for educational purposes. The additional local  
26 costs of operating a regional school unit must be shared among all municipalities within  
27 the regional school unit in accordance with the reorganization plan, except that cost-  
28 sharing agreements in existence on the effective date of this section that were adopted  
29 pursuant to Public Law 2005, chapter 2 or pursuant to a private and special law remain in  
30 existence unless the agreement is modified or eliminated as part of a reorganization to  
31 regional school units under this chapter or as a result of a negotiated agreement between  
32 the parties to the cost-sharing agreement.

33 Notwithstanding any provision of law to the contrary, a cost-sharing agreement in  
34 existence on the effective date of this section that was adopted pursuant to Public Law  
35 2005, chapter 2 or pursuant to a private and special law may not be construed to preempt  
36 the formation of a regional school unit under this chapter.

37 Notwithstanding any provision of law to the contrary, a cost-sharing agreement  
38 between 2 or more municipalities in existence on the effective date of this section that  
39 was adopted prior to the effective date of this section may not be construed to preempt the  
40 formation of a regional school unit under this chapter.

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- 1 **§1458. Action on school reorganization plans**
- 2 **1. Review and approval of reorganization plans by commissioner.** The
- 3 commissioner shall review proposed reorganization plans and approve or disapprove the
- 4 plans by July 15, 2008. The commissioner shall approve a reorganization plan upon
- 5 finding that the plan is consistent with the goals and purposes of this chapter and that the
- 6 plan has adequately addressed the matters described in section 1453. If the commissioner
- 7 determines that a plan for reorganization is not consistent with the purposes and goals of
- 8 this chapter, or that it has not adequately addressed the matters set forth in section 1453,
- 9 the commissioner shall return the plan to the reorganization planning committee with
- 10 specific suggestions for modification of the plan. In that event, the reorganization
- 11 planning committee shall revise the proposed reorganization plan to address the
- 12 commissioner's concerns and submit a revised reorganization plan not later than August
- 13 15, 2008. The commissioner shall approve or disapprove the revised reorganization plan
- 14 by August 31, 2008.
- 15 **2. Submission of legislation.** A school administrative unit or group of school
- 16 administrative units of a proposed size or organizational structure previously disapproved
- 17 by the commissioner is authorized to submit legislation for the purpose of being
- 18 established as a school administrative unit or school union eligible for certification
- 19 pursuant to this chapter.
- 20 **3. Approval of reorganization plan by voters.** If a plan or revised reorganization
- 21 plan has been approved by the commissioner by August 31, 2008, the municipal officers
- 22 of each municipality in a proposed reorganized school administrative unit or school union
- 23 shall place a warrant article substantially as follows on the ballot of a municipal
- 24 referendum conducted in conjunction with the general election in November 2008:
- 25 "Article ....: Shall the school reorganization plan prepared by the (insert
- 26 name) reorganization planning committee and approved by the
- 27 Commissioner of Education to reorganize (insert names of affected
- 28 school administrative units and school unions) with an effective date of
- 29 July 1, 2009 be approved?"
- 30 If a reorganization plan is approved by all of the affected municipalities, the
- 31 commissioner shall issue a certificate of organization to the reorganized school
- 32 administrative unit or school union. If the reorganization plan is approved by less than all
- 33 of the affected municipalities, the commissioner may issue a certificate of organization
- 34 for a reorganized school administrative unit or school union comprised of those
- 35 municipalities that voted in favor of the plan if the reorganization plan so provides.
- 36 **4. Referendum costs.** The department shall pay the cost of a referendum conducted
- 37 before or on January 15, 2008.
- 38 **5. Consequences of failure to submit or gain approval of reorganization plans.**
- 39 Notwithstanding any other provision of this Title, the following adjustments to the
- 40 calculation of subsidy under chapter 606-B are required beginning July 1, 2009 for a
- 41 school administrative unit that is not a conforming school administrative unit.
- 42 **A. The nonconforming school administrative unit's state subsidy must be reduced by**
- 43 **an amount equal to 50% of the legislatively approved elementary school level, middle**
- 44 **school level and high school level per-pupil essential programs and services rate for**



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1 system administration applied to the number of resident pupils at each school level in  
2 that school administrative unit as of July 1, 2009 until such time as the school  
3 administrative unit is compliant with the applicable minimum number of resident  
4 pupils.

5 B. The penalty specified in paragraph A does not apply to:

6 (1) A school administrative unit that has been designated as an approved  
7 exception to the minimum resident pupil requirement; or

8 (2) A municipal school administrative unit whose voters have approved a  
9 reorganization plan under subsection 3, but which has not been issued a  
10 certificate of organization because one or more other municipalities have failed to  
11 approve the reorganization plan.

12 If a reorganization planning committee fails to submit proposed reorganization plans as  
13 required by this section, if reorganization plans are disapproved by the commissioner or if  
14 one or more of the municipalities fail to approve a reorganization plan approved by the  
15 commissioner, the commissioner shall submit a report to the joint standing committee of  
16 the Legislature having jurisdiction over education matters that the reorganization  
17 planning committee or the nonapproving municipalities have not met the school  
18 reorganization goals of this chapter. A school administrative unit or group of school  
19 administrative units of a proposed size or organizational structure previously disapproved  
20 by the commissioner is authorized to submit legislation for the purpose of being  
21 established as a school administrative unit eligible for certification pursuant to this  
22 chapter.

23 6. Additional planning authority. Reorganization planning committees are  
24 authorized and encouraged to engage in additional planning activities to redesign the  
25 provision of educational administrative and noninstructional services within the  
26 reorganization planning committee's region in a manner appropriate to the needs of the  
27 region and designed to help meet the expenditure reduction and cost containment  
28 requirements of section 1452. The plan should:

29 A. Recommend the number of educational administrative and noninstructional full-  
30 time equivalent positions required within the reorganization planning committee's  
31 region for principal, special education director, transportation director, technology  
32 officer, business agent or financial officer, human resources director and all  
33 reasonably equivalent positions;

34 B. Recommend adjustments to the region's current profile of administrative and  
35 noninstructional personnel;

36 C. Recommend the organization or reorganization of any joint purchasing  
37 arrangements between and among school administrative units within the  
38 reorganization planning committee area and between and among school  
39 administrative units and municipalities within the reorganization planning committee  
40 area;

41 D. Recommend the coordination of schedules, including without limitation school  
42 calendars, school board meetings and school budget development and budget  
43 adoption meetings;

- 1 E. Recommend the development of coordinated school transportation systems;  
2 F. Recommend the administrative and noninstructional services that should be made  
3 available through an educational services collaborative for the benefit of school  
4 administrative units and municipal units of government in the region; and  
5 G. Recommend appropriate methods for addressing projected declines in student  
6 enrollment over the next 10 years, including possible further reorganization.  
7 7. Fast track option. If a reorganization plan is submitted to the commissioner on  
8 or before November 1, 2007, the reorganization planning committee submitting the plan  
9 may request that the reorganization take effect July 1, 2008 instead of July 1, 2009. In  
10 that case, the commissioner shall review and take action on the plan within 14 days of  
11 submission. If the commissioner determines that the plan should be approved without  
12 need of further revision, the municipal officers of each municipality in the proposed  
13 regional school unit may conduct the municipal referendum vote required by this section  
14 on January 15, 2008, in which case the referendum question otherwise required by this  
15 section must refer to an effective date of July 1, 2008. Subject to the requirements of this  
16 section, the commissioner shall issue a certificate of organization, and the operational  
17 date is July 1, 2008.

18 **§1459. Contracts for secondary school programs**

19 1. Authority to contract; term. A reorganized school unit may contract with a  
20 nearby school administrative unit or with a private school approved for tuition purposes  
21 for all or part of the reorganized school unit's secondary school pupils. The contract may  
22 run from a period of 2 to 10 years. The contract must also comply with section 2703 and  
23 may provide for the formation of a joint committee in accordance with section 2704. A  
24 school administrative unit or school union created pursuant to this chapter that includes  
25 within it a school administrative unit or school union in existence prior to June 30, 2008  
26 that has contracted for secondary school programs is bound by the terms of that contract  
27 unless otherwise negotiated by the parties.

28 2. Expiration of contract. After July 1, 2008, if a contract between a previous  
29 education unit and another previous education unit or a private school approved for  
30 tuition purposes expires, and the previous education unit that was the sending unit is a  
31 member of a regional school unit under this chapter, the provisions of this subsection  
32 apply.

33 A. If the option of attending a public school in another school administrative unit or  
34 a private school approved for tuition purposes subject to chapter 219 was available to  
35 students in the previous education unit, that option continues to be available to  
36 students who reside in the municipalities that comprised the previous education unit  
37 after the municipality's inclusion in the regional school unit.

38 B. The regional school unit may negotiate the contract pursuant to chapter 115.

39 3. Absence of contract; maintenance of school choice opportunities. A student  
40 who resides in a school administrative unit that does not maintain that student's grade  
41 from kindergarten to grade 12 and does not enter into a contract for the education of its  
42 students pursuant to this chapter has the option of attending a public school in another  
43 school administrative unit or private school approved for tuition purposes subject to the

1 provisions of chapter 219 if that option was available from the previous school unit for  
2 the area in which that student resides.

3 4. Additional expense. If, pursuant to subsection 3, a student attends a public  
4 school in another school administrative unit or private school approved for tuition  
5 purposes subject to the provisions of chapter 219, and the number of secondary school  
6 students from one or more municipalities in a regional school unit that attend a public  
7 school in a different school administrative unit or an approved private school is less than  
8 all the secondary school students in the regional school unit, the sending municipality of  
9 the regional school unit is responsible for the additional expense calculated under this  
10 subsection.

11 A. For each secondary school student who attends a public school in another school  
12 administrative unit, the sending regional school unit is responsible for an amount  
13 equal to the number of secondary school students from that regional school unit  
14 multiplied by the amount that the receiving regional school unit's tuition rate pursuant  
15 to section 5805 exceeds the amount of the sending regional school unit's tuition rate  
16 pursuant to section 5805.

17 B. For each secondary school student who attends a private school approved for  
18 tuition purposes subject to the provisions of chapter 219, the sending regional school  
19 unit is responsible for an amount equal to the number of secondary school students  
20 from the regional school unit attending the private school multiplied by the amount  
21 that the private school's tuition rate pursuant to section 5806, or the tuition rate per  
22 the contract, if less, exceeds the amount of the sending regional school unit's tuition  
23 rate pursuant to section 5805.

24 Any additional expense may not be included in the regional school unit budget when  
25 determining each member municipality's local contribution.

26 Any additional expense must be paid by the responsible municipality in equal monthly  
27 amounts unless the regional school unit and the member municipality agree to another  
28 payment schedule.

29 **§1460. Transfer of property and assets**

30 1. School property. The governing body of each regional school unit established  
31 pursuant to this chapter shall determine what school property of the municipalities and of  
32 the school administrative units in existence prior to the operational date of the regional  
33 school unit within its jurisdiction is necessary to carry out the functions of the new  
34 regional school unit and shall request in writing that the governing body of each  
35 preexisting school administrative unit or the municipal officers transfer title of their  
36 school property and buildings to the new regional school unit.

37 2. Transfer. The municipal officers and boards contacted pursuant to subsection 1  
38 shall make the transfer of property and assets notwithstanding any other provision in the  
39 charter of the school administrative unit or municipality.

40 3. Financing assumed debts. A regional school unit shall assume the outstanding  
41 indebtedness and lease-purchase obligations of a school administrative unit in existence  
42 prior to the operational date of the new regional school unit for real and personal property  
43 transferred to the regional school unit. The directors of the regional school unit board

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1 may, notwithstanding any other law to the contrary or any provision of a trust agreement,  
2 use any sinking fund or other money set aside by the school administrative unit in  
3 existence prior to the operational date of the new regional school unit to pay off the  
4 indebtedness for which the money was dedicated.

5 **§1461. Debt liability**

6 This section governs the debt obligations existing at the time of reorganization  
7 accomplished pursuant to this chapter unless a different arrangement is made pursuant to  
8 a plan approved by the commissioner under this chapter. Any such plan must be  
9 consistent with subsection 2.

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

12 **A. "Existing debt"** means any bond, note, loan arrangement, lease-purchase  
13 agreement or other debt instrument issued prior to the operational date of a regional  
14 school unit for the purposes of funding public schools, or for refinancing such debt,  
15 that remains outstanding at the time of a reorganization pursuant to this chapter.  
16 "Existing debt" does not include routine payables or commercial contract obligations.

17 **B. "New unit"** means a school administrative unit or school union created or  
18 established pursuant to this chapter.

19 **C. "Original education unit" means:**

20 **(1) A school administrative unit or school union that has existing debt; or**

21 **(2) A municipality that has existing debt incurred on behalf of a school**  
22 **administrative unit or school union.**

23 **2. Liability remains with original unit.** Existing debt held by an original education  
24 unit remains the obligation of that original education unit after reorganization pursuant to  
25 this chapter. An original education unit may not be finally dissolved while any existing  
26 debt held by the original education unit remains outstanding. All aspects of an original  
27 education unit's administrative or political organization may be merged into a new unit or  
28 otherwise modified to accomplish the purposes of this chapter but its existing debt and its  
29 right to secure payment of such debt from income streams that existed at the time of the  
30 issuance of such debt may not be affected or altered except as authorized by this section.

31 **A. A new unit must agree to pay the existing debt of an original education unit that is**  
32 **included within the new unit with respect to any real and personal property**  
33 **transferred to the new unit pursuant to section 1460. In the event that the new unit**  
34 **fails to pay any amount of the existing debt, the original education unit remains**  
35 **responsible for the deficiency. An original education unit may contract with a new**  
36 **unit for the administration of the payment of existing debt of the original education**  
37 **unit. An original education unit may transfer or delegate to a new unit all those**  
38 **powers and duties reasonable and necessary for the payment of existing debt of the**  
39 **original education unit. A new unit may accept and exercise on behalf of the original**  
40 **education unit for the remaining term of any existing debt all those powers and duties**  
41 **reasonable and necessary for the payment of existing debt of the original education**  
42 **unit.**

1 B. Notwithstanding any provision of law to the contrary or any provision of a trust  
2 agreement, a new unit may use any sinking fund or other money set aside by the  
3 original education unit to pay an existing debt to pay that debt.

4 C. A new unit may issue bonds or other debt instruments for the purpose of  
5 refinancing or retiring the existing debt of an original education unit. The issuance of  
6 such bonds or other debt must be in accordance with applicable procedural  
7 requirements.

8 3. No impact on state debt subsidies. A change in an administrative or political  
9 organization resulting from the creation of a new unit may not affect any state subsidy  
10 with respect to existing debt or the relative portion of any such debt paid or reimbursed  
11 by the State except as provided in this subsection.

12 A. The original education unit may continue to pay its existing debt obligations in  
13 due course as though a new unit had not been created, and its choice to do so may not  
14 reduce or otherwise affect the level of state assistance or subsidy with respect to that  
15 existing debt.

16 B. If the original education unit and the new unit choose to refinance the existing  
17 debt, the state subsidy or assistance with respect to the debt must be determined as of  
18 the date of the new issuance and must be based on that refinancing and not on any  
19 previous subsidy or assistance calculation related to the existing debt.

20 4. Debt of existing school units. For each original education unit with existing debt  
21 that has reorganized into a new unit, if the new unit has not agreed to assume liability to  
22 pay that existing debt, the governing body of the new unit shall serve as agent for  
23 purposes of that existing debt and may:

24 A. Sue and be sued in the name of the original education unit in respect to the  
25 existing debt;

26 B. Determine the debt service due each fiscal year on any existing debt;

27 C. As applicable, allocate to each member of the original education unit the  
28 member's share of the annual debt service for the existing debt of the original  
29 education unit in addition to each member's share of costs of the new unit;

30 D. Collect the allocation for debt service on the existing debt from the original  
31 education unit or, as applicable, from each member of the original education unit in  
32 addition to each member's share of costs of the new unit;

33 E. Pay the debt service on the existing debt of the original education unit when due;  
34 and

35 F. Take all other actions necessary and proper in respect of the existing debt.

36 Allocations between members of the original education unit to pay the debt service for  
37 the existing debt must be made on the basis of the cost-sharing formula of the original  
38 education unit in effect on July 1, 2008, as applied to the year of allocation. In the case of  
39 state subsidized debt service, the provisions of subsection 3 apply. Amounts to pay the  
40 debt service on the existing debt of the original education units must be included in the  
41 budget that the governing body of a new unit submits for approval. If the original  
42 education unit is divided between different new units that have not agreed to assume

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1 liability to pay the existing debt, the commissioner shall require that the reorganization  
2 plan of one of those new units provide for that new unit to serve as agent for purposes of  
3 the existing debt of the original education unit. That new unit, as agent, has the authority  
4 provided by this subsection, except that it shall notify the other new units containing  
5 members of the original education unit of the amounts they must assess and collect from  
6 their members of the original education unit, and those other new units shall perform the  
7 functions in paragraphs C and D with respect to their members and shall pay the  
8 appropriate amounts over to the new unit serving as agent.

9 **5. Bonds to complete school construction and renovation.** If the legislative body  
10 of an original education unit has authorized the issuance of bonds for a school  
11 construction project or a minor capital project, but that original education unit has not yet  
12 issued all of the authorized permanent bonds for that project, the board of the new unit  
13 that accepts a transfer of the real property for that project, or of the agreement pursuant to  
14 which the real property for that project will be acquired, shall issue bonds or notes  
15 necessary to finance the completion of that project and to refund temporary notes that the  
16 original education unit issued in anticipation of permanent bonds for that project. Further  
17 action by the legislative body of the new unit is not required. The bonds at any time  
18 outstanding for the project may not exceed the amount authorized by the legislative body  
19 of the original education unit except to the extent necessary to refund temporary notes on  
20 a current basis. Bonds or notes issued by the regional school unit board to complete  
21 projects of an original education unit and to refund temporary project notes of an original  
22 education unit must be issued in the name of the new unit and otherwise must be in the  
23 form and be subject to the procedural requirements as provided by this subsection.

24 **§1462. Operational date and transfer authority**

25 The provisions of this section apply to a reorganized school administrative unit or  
26 school union and its governing body created pursuant to this chapter.

27 **1. Operational date.** The regional school unit becomes operational on the date  
28 established in the certificate of organization as approved by the commissioner pursuant to  
29 section 1458, subsection 3.

30 **2. Transfer of governing authority.** The regional school unit board of directors, on  
31 the date established pursuant to subsection 1, shall assume responsibility for the  
32 management and control of the public schools and programs within its jurisdiction.  
33 Those school administrative units in existence prior to the operational date of the new  
34 regional school unit on the date established in subsection 1 have no further responsibility  
35 for the operation or control of the public schools and programs within the school  
36 administrative unit except those pursuant to section 1461.

37 **3. Transfer of school accounts.** Notwithstanding section 15004 or any charter of a  
38 municipal school unit, school administrative district, community school district or  
39 regional school unit, the balance remaining in the school accounts of the former  
40 municipal school unit, school administrative district, community school district or  
41 regional school unit within the new regional school unit must be paid to the treasurer of  
42 the new regional school unit and verified through the annual audit process pursuant to  
43 chapter 221, subchapter 2. The balance from each of the former municipal school units,  
44 school administrative districts, community school districts or regional school units must

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1 be used to reduce that unit's or district's local contribution to the regional school unit.  
2 Payment may be made in equal monthly installments during the implementation year.

3 4. Transfer of teachers and employees. Except as limited by paragraph A, all  
4 teachers and school employees who are employed by a participating school  
5 administrative unit on the day prior to the date established pursuant to subsection 1 must  
6 be transferred to and employed by the regional school unit as of the date established  
7 pursuant to subsection 1. Except as limited by subsection 2, the regional school unit shall  
8 assume all of the legal obligations and duties that the participating school administrative  
9 units owed to their employees, including but not limited to those obligations and duties  
10 arising under federal law, state law, collective bargaining agreements and individual  
11 employment contracts. It is the intent of this chapter to neither decrease nor increase the  
12 rights and benefits of transferred employees or the employer. The regional school unit  
13 also shall maintain and honor any agreements, contracts or policies regarding the rights  
14 and benefits of retirees and former employees created by a participating school  
15 administrative unit that is dissolved as a result of its inclusion within a regional school  
16 unit.

17 A. Teachers or other employees whose employment terminates by application of law  
18 or contract or by action of a participating school administrative unit before the date in  
19 subsection 1 may not be transferred.

20 B. The length of the probationary period of a teacher or other employee who is  
21 transferred to the regional school unit prior to the completion of the applicable  
22 probationary period for that teacher's or employee's position must be calculated from  
23 the date of that teacher's or employee's initial employment by the previous education  
24 unit.

25 **§1463. Collective bargaining**

26 1. Assumption of obligations, duties, liabilities and rights. On the operational  
27 date established pursuant to section 1462, subsection 1, the regional school unit board of  
28 directors shall assume all of the obligations, duties, liabilities and rights of the  
29 participating school administrative units for all purposes under Title 26, chapter 9-A. The  
30 regional school unit is considered a single employer.

31 2. Transfer of teachers and employees. Except as limited by paragraph A, for  
32 regional school units approved prior to January 16, 2008, all teachers and school  
33 employees who are employed by a participating school administrative unit on June 30,  
34 2008 must be transferred to and employed by the regional school unit as of July 1, 2008.  
35 Except as limited by paragraph A, for regional school units approved after January 15,  
36 2008 and before November 5, 2008, all teachers and school employees who are employed  
37 by participating school administrative units on June 30, 2009 must be transferred and  
38 employed by the regional school unit as of July 1, 2009. Except as limited by paragraph  
39 B, the regional school unit shall assume all of the legal obligations and duties that the  
40 participating school administrative units owed to their employees, including but not  
41 limited to those obligations and duties arising under federal law, state law, collective  
42 bargaining agreements and individual employment contracts. It is the intent of this  
43 chapter to neither decrease nor increase the rights and benefits of transferred employees  
44 or the employer. The regional school unit also shall maintain and honor any agreements,

1 contracts or policies regarding the rights and benefits of retirees and former employees  
2 created by a participating school administrative unit that is dissolved as a result of its  
3 inclusion within a regional school unit.

4 A. For regional school units approved prior to January 16, 2008, teachers or other  
5 employees whose employment terminates by application of law or contract or by  
6 action of a participating school administrative unit before July 1, 2008 may not be  
7 transferred. For regional school units approved after January 15, 2008 and before  
8 November 5, 2008, teachers or other employees whose employment terminates by  
9 application of law or contract or by action of a participating school administrative  
10 unit before July 1, 2009 may not be transferred.

11 B. The length of the probationary period of a teacher or other employee who is  
12 transferred to the regional school unit prior to the completion of the applicable  
13 probationary period for that teacher's or employee's position must be calculated from  
14 the date of that teacher's or employee's most recent date of employment by the  
15 participating school administrative unit.

16 3. Collective bargaining. The provisions of this subsection apply to collective  
17 bargaining.

18 A. On July 1, 2008 for regional school units approved prior to January 16, 2008 and  
19 on July 1, 2009 for regional school units approved after January 15, 2008 and before  
20 November 5, 2008, the regional school unit board of directors shall assume all of the  
21 obligations, duties, liabilities and rights of the participating school administrative  
22 units for all purposes under Title 26, chapter 9-A. The regional school unit is  
23 considered a single employer. Notwithstanding any other provision of law, the  
24 responsibilities of the regional school unit include:

25 (1) Continued recognition of all bargaining agents that represented any  
26 bargaining units of employees who were employed by a participating school  
27 administrative unit, pending completion of merger proceedings described in this  
28 section;

29 (2) Assumption and continued observance of all collective bargaining  
30 agreements between such bargaining agents and a participating school  
31 administrative unit. These agreements continue in effect for the remainder of  
32 their unexpired term unless the bargaining agent and regional school unit  
33 mutually agree otherwise; and

34 (3) Collective bargaining for an initial or successor collective bargaining  
35 agreement in any bargaining unit in which a collective bargaining agreement is  
36 not in effect on the operational date and for any interim agreement that may be  
37 required to align expiration dates in a regional school unit-wide bargaining unit,  
38 as described in this subsection.

39 B. As early as possible but no later than August 31, 2011 for regional school units  
40 approved prior to January 16, 2008 and no later than August 31, 2012 for regional  
41 school units approved after January 15, 2008 and before November 2, 2008, all  
42 bargaining units must be structured on a regional school unit-wide basis. Bargaining  
43 units that existed in the participating school administrative units shall merge in



1 accordance with the procedures and criteria in this section. Merger into regional  
2 school unit-wide bargaining units is not subject to approval or disapproval of  
3 employees.

4 (1) Merger into regional school unit-wide bargaining units must be completed  
5 according to the schedule contained in this subsection, and no later than the latest  
6 expiration date of any collective bargaining agreement that was in effect on the  
7 operational date that covered any employees in the merged unit.

8 (2) There must be one unit of teachers and, to the extent they are currently  
9 included in bargaining units, other certified professional employees, excluding  
10 principals and other administrators.

11 (3) Any additional bargaining units in a regional school unit must be structured  
12 as set out in this subparagraph.

13 (a) In the initial establishment of such units, units must be structured  
14 primarily on the basis of the existing pattern of organization, maintaining the  
15 grouping of employee classifications into bargaining units that existed prior  
16 to the creation of the regional school unit and avoiding conflicts among  
17 different bargaining agents to the extent possible.

18 (b) In the event of a dispute regarding the classifications to be included  
19 within a regional school unit-wide bargaining unit, the current bargaining  
20 agent or agents or the regional school unit may petition the Maine Labor  
21 Relations Board to determine the appropriate unit in accordance with this  
22 section and Title 26, section 966, subsections 1 and 2.

23 (4) When there is the same bargaining agent in all bargaining units that will be  
24 merged into a regional school unit-wide bargaining unit, the units must be  
25 merged as of the operational date, and the regional school unit shall recognize the  
26 bargaining agent as the representative of the merged unit.

27 (5) When all bargaining units that will be merged into a regional school unit-  
28 wide bargaining unit are represented by separate local affiliates of the same state  
29 labor organization, the units must be merged as of the operational date. The  
30 identity of the single affiliate that will be designated the bargaining agent for the  
31 merged unit must be determined by the existing bargaining agents and the state  
32 labor organization. Upon completion of the merger and designation of the  
33 bargaining agent and notification by the state organization to the regional school  
34 unit, the regional school unit shall recognize the designated bargaining agent as  
35 the representative of employees in the merged unit. If necessary, the parties will  
36 then execute a written amendment to any collective bargaining agreement then in  
37 effect to change the name of the bargaining agent to reflect the merger.

38 (6) When there are bargaining units that will be merged into a regional school  
39 unit-wide bargaining unit in which there are employees who are not represented  
40 by any bargaining agent and other employees who are represented either by the  
41 same bargaining agent or separate local affiliates of the same state labor  
42 organization, the units must be merged as of the operational date as long as a  
43 majority of employees who compose the merged unit were represented by the

1 bargaining agent prior to the merger. The procedures for merger of separate local  
2 affiliates of the same state labor organization described in subparagraph (5) must  
3 be followed if applicable. If prior to the merger a bargaining agent did not  
4 represent a majority of employees who compose the merged unit, a bargaining  
5 agent election must be conducted by the Maine Labor Relations Board pursuant  
6 to subparagraph (8).

7 (7) When there are unexpired collective bargaining agreements with different  
8 expiration dates in the merged bargaining units described in subparagraphs (4),  
9 (5) and (6), all contracts must be honored to their expiration dates unless  
10 mutually agreed to otherwise by the public employer and the bargaining agent.  
11 Collective bargaining agreements must be bargained on an interim basis in any  
12 merged bargaining unit so that all collective bargaining agreements expire on the  
13 same date.

14 (8) When bargaining units with different bargaining agents must be merged into  
15 a single regional school unit-wide bargaining unit pursuant to this subsection, the  
16 bargaining agent of the merged bargaining unit must be selected in accordance  
17 with Title 26, section 967, except as modified in this subparagraph.

18 (a) A petition for an election to determine the bargaining agent must be filed  
19 with the Maine Labor Relations Board by any of the current bargaining  
20 agents or the regional school unit.

21 (b) The petition must be filed not more than 90 days prior to the expiration  
22 date of the agreement having the latest expiration date among the bargaining  
23 units that will be merged into the regional school unit-wide bargaining unit.

24 (c) The election ballot may contain only the names of the bargaining agents  
25 of bargaining units that will be merged into the regional school unit-wide  
26 bargaining unit and the choice of "no representative," but no other choices.  
27 No showing of interest is required from any such bargaining agent other than  
28 its current status as representative.

29 (d) The obligation to bargain with existing bargaining agents continues from  
30 the operational date until the determination of the bargaining agent of the  
31 regional school unit-wide bargaining unit under this subsection; but in no  
32 event may any collective bargaining agreement that is executed after the  
33 operational date extend beyond the expiration date of the agreement having  
34 the latest expiration date among the bargaining units that will be merged into  
35 the regional school unit-wide bargaining unit that was in effect on the  
36 operational date.

37 (e) The Maine Labor Relations Board shall expedite to the extent practicable  
38 all petitions for determination of the bargaining agent in the regional school  
39 unit-wide bargaining unit filed pursuant to this subsection.

40 (f) The bargaining units must be merged into a regional school unit-wide  
41 bargaining unit as of the date of certification of the results of the election by

1 the Maine Labor Relations Board, or the expiration of the collective  
2 bargaining agreements in the unit, whichever occurs later.

3 C. After the merger of bargaining units into a regional school unit-wide bargaining  
4 unit, the bargaining agent of a regional school unit-wide bargaining unit and the  
5 regional school unit shall engage in collective bargaining for a collective bargaining  
6 agreement for the regional school unit-wide bargaining unit. In the collective  
7 bargaining agreement for each regional school unit-wide bargaining unit, the  
8 employment relations, policies, practices, salary schedules, hours and working  
9 conditions throughout the regional school unit must be made uniform and consistent  
10 as soon as practicable.

11 In the event that the parties are unable to agree upon an initial regional school unit-  
12 wide collective bargaining agreement, they must use the dispute resolution  
13 procedures pursuant to Title 26, section 965 to resolve their differences.

14 **§1464. Superintendent contracts**

15 The contracts between the superintendents and school administrative units and school  
16 unions within the new school administrative unit or school union are transferred to the  
17 new school administrative unit or school union's governing body. The new school  
18 administrative unit or school union's governing body shall determine their duties within  
19 the new school administrative unit or school union.

20 **§1465. Addition of a school administrative unit to an existing regional school unit**

21 A school administrative unit not originally a member of a regional school unit may be  
22 included in the regional school unit in accordance with this section.

23 1. Notice of intent. A school administrative unit shall file with the commissioner a  
24 notice of intent to engage in planning and negotiations to join with a regional school unit  
25 under this chapter. The commissioner shall respond to each notice of intent and provide  
26 information regarding the process and whether the intended action complies with the  
27 requirements of this chapter.

28 2. Process to join a regional school unit. A school administrative unit may join an  
29 existing regional school unit in the same manner required for the formation of a regional  
30 school unit under section 1461, except that section 1458, subsections 5, 6 and 7 do not  
31 apply.

32 3. Referendum for a school administrative unit to join an existing regional  
33 school unit. The municipal officers of each municipality in a proposed reorganized  
34 school administrative unit shall place a warrant article substantially as follows on the  
35 ballot of a municipal referendum in accordance with the referendum procedures  
36 applicable to the school administrative unit of which the municipality is a member:

37 "Article: Do you favor approving the school reorganization plan prepared by the  
38 (insert name) Reorganization Planning Committee for school administrative unit  
39 (insert name of affected school administrative unit) to join the regional school unit  
40 (name of regional school unit), with an effective date of (insert date)?

41 Yes No"

1 The following statement must accompany the article:

2 "Explanation:

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

5 4. Referendum on the admission of an additional school administrative unit to  
6 an existing regional school unit. If the vote to join a regional school unit under  
7 subsection 3 was in the affirmative, the existing regional school unit shall call a regional  
8 school unit referendum to vote on the following article:

9 "Article: Do you favor approving the school reorganization plan prepared by the  
10 (insert name) Reorganization Planning Committee for school administrative unit  
11 (insert name of affected school administrative unit) to join the regional school unit  
12 (name of regional school unit), with an effective date of (insert date)?

13 Yes No"

14 The following statement must accompany the article:

15 "Explanation:

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

18 5. Results of referendum. A school administrative unit shall report the results of  
19 the referendum to the department following the referendum election.

20 A. For a referendum conducted pursuant to subsection 3:

21 (1) A reorganization plan is approved by a kindergarten to grade 12 school  
22 administrative district or kindergarten to grade 12 community school district if  
23 the majority of votes cast in the district is in favor of approval of the plan;

24 (2) A reorganization plan is approved by a regional school unit if the majority of  
25 votes cast in the regional school unit is in favor of approval of the plan;

26 (3) A reorganization plan is approved by the member municipalities of a  
27 community school district that does not provide public education for the entire  
28 span of kindergarten to grade 12 if the majority of votes cast in the member  
29 municipalities is in favor of approval of the plan. Approval results in all member  
30 municipalities joining the regional school unit for all purposes for kindergarten to  
31 grade 12; and

32 (4) A municipal school unit, including a municipal school unit that is a member  
33 of a school union, approves a reorganization plan if the majority of the votes cast  
34 in that municipality is in favor of approval of the plan.

35 B. For a referendum conducted pursuant to subsection 4, a reorganization plan is  
36 approved by a regional school unit if the majority of votes cast in the regional school  
37 unit is in favor of approval of the plan.

38 If a reorganization plan is approved by the affected school administrative unit, the  
39 commissioner shall file notice of approval of the unit with the state board.

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1 6. Amended certificate of organization. If a plan for reorganization has been  
2 approved by the commissioner and approved by voters at the referendum under  
3 subsections 3 and 4, the commissioner shall issue an amended certificate of organization  
4 to the reorganized regional school unit.

5 Sec. XXXX-6. 20-A MRSA c. 112 is enacted to read:

6 CHAPTER 112

7 SCHOOL BUDGET TRANSPARENCY

8 §2401. Cost center summary budget format

9 After January 31, 2008, the format of the annual budget of a school administrative  
10 unit consists of the following cost centers and supporting data:

11 1. Expenditures. The following expenditures:

12 A. Prekindergarten to grade 12 instruction, excluding special education;

13 B. Instructional support, excluding special education;

14 C. Special education;

15 D. Leadership;

16 E. Facilities maintenance;

17 F. Transportation and buses;

18 G. Debt service; and

19 H. Other commitments;

20 2. Revenue sources. The following revenue sources:

21 A. Total education costs appropriated pursuant to section 15690, subsection 1;

22 B. Non-state-funded debt service costs approved pursuant to section 15690,  
23 subsection 2, if any; and

24 C. Additional local funds, if any, approved pursuant to section 15690, subsection 3,  
25 paragraph A;

26 3. Summary. A summary of total school administrative unit expenditures; and

27 4. Optional local data. Other optional local data showing the amount and  
28 percentage of changes proposed in the state allocation, the local share and the total school  
29 administrative unit budget and related information determined appropriate by the  
30 governing body of the school administrative unit.

31 The warrant articles presented to the legislative body of the school administrative unit  
32 for approval of the school administrative unit budget must correspond to the categories of  
33 the cost center summary budget described in subsection 1. In addition to expenditure and  
34 revenue cost center summary totals, the governing body shall provide to voters a  
35 reasonably detailed breakdown for each major subcategory within each budget category.  
36 The department shall adopt routine technical rules pursuant to Title 5, chapter 375,

1 subchapter 2-A defining and establishing the content of those informational  
2 subcategories.

3 During the year for which the budget is approved using the cost center summary  
4 budget format, the governing body may transfer an amount not exceeding 5% of the total  
5 appropriation for any cost center to another cost center or among other cost centers  
6 without voter approval.

7 **§2402. Budget adoption procedures**

8 Except as otherwise provided in section 15671-A with respect to proposed school  
9 budgets that exceed the maximum state and local spending targets, school budget  
10 adoption procedures must be controlled by municipal charter, municipal ordinance and  
11 municipal election laws for municipal school units by sections 1304 to 1309 for school  
12 administrative districts and sections 1701 to 1701-B for community school districts.  
13 System administration budgets for school unions must be adopted pursuant to section  
14 1903.

15 Sec. XXXX-7. 20-A MRSA c. 114 is enacted to read:

16 **CHAPTER 114**

17 **EDUCATIONAL SERVICE COLLABORATIVES**

18 **§2601. Purpose and goals**

19 It is the policy of the State to encourage school boards of school administrative units  
20 and school unions to form educational service collaboratives to provide joint or shared  
21 school administrative and noninstructional services, and where appropriate, to encourage  
22 municipalities, counties and other quasi-municipal corporations to participate in  
23 educational service collaboratives. The purpose of educational service collaboratives is to  
24 achieve efficiencies in school administrative, noninstructional and specialized services,  
25 including purchasing, finance and payroll, facilities, human resources and technology,  
26 transportation, food service, safety and security, health services and special education.  
27 When nonschool units of local government and quasi-municipal corporations are  
28 participants in an educational service collaborative, the educational service collaborative  
29 may provide corresponding services for such nonschool participants in order to achieve  
30 efficiencies for all the participants.

31 **§2602. Educational service collaboratives authorized**

32 The governing bodies of school administrative units, school unions, municipalities,  
33 counties and other quasi-municipal corporations may form and participate in educational  
34 service collaboratives in accordance with the procedures of section 2603.

35 **§2603. Formation of educational service collaboratives**

36 1. Submission of plan. A plan for an educational service collaborative may be  
37 developed and approved by the governing bodies of school administrative units, school  
38 unions, municipalities, counties and other quasi-municipal corporations. These  
39 participants shall submit the plan to the commissioner.

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**2. Plan contents. The plan for an educational service collaborative must include:**

- A. The school administrative units and school unions to be included;**
- B. The composition of the governing body;**
- C. The method of voting;**
- D. The proposed method of sharing costs;**
- E. The designation of a member school administrative unit or school union as fiscal agent;**
- F. The type of services that the educational service collaborative intends to provide;**
- G. Provisions for the addition and withdrawal of participants and for dissolution; and**
- H. Provisions for amendment of the plan.**

**3. Action by commissioner. Within 30 days of submission of a plan under subsection 1, the commissioner shall approve the plan upon a finding that the plan is consistent with the purposes and goals of this chapter and, in cases where there is a nonschool participant, that the plan is consistent with the education and education funding laws of this State. Alternatively, if the commissioner determines that a plan is not consistent with the goals and purposes of this chapter or that the plan is not consistent with the education and education funding laws of this State, the commissioner shall return the plan to the governing bodies of the participants with specific suggestions for modification. If the commissioner does not approve a plan or return the plan with specific suggestions for modification within 30 days, the commissioner is deemed to have approved the plan.**

**4. Certificate of organization. If the commissioner approves or is deemed to have approved the plan under subsection 3, the commissioner shall issue a certificate of organization for the educational service collaborative. The certificate of organization for an educational service collaborative must bear the official name of the educational service collaborative, the date of organization and the names of the participants. The commissioner shall file an attested copy of the certificate of organization with the Secretary of State. The issuance of a certificate of organization is conclusive evidence of the lawful organization of the educational service collaborative.**

**§2604. Representatives**

**1. Appointment. The governing body of each school administrative unit, school union and nonschool participant of an educational service collaborative shall appoint one representative to the governing body of the educational service collaborative. The representative of each participant must be a member of its governing body or its superintendent or designee. Each representative serves at the will of the appointing governing body.**

**2. Vacancies. The appointing governing body shall fill any vacancy that occurs.**

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1 **§2605. Legal status**

2 An educational service collaborative is a quasi-municipal corporation within the  
3 meaning of Title 30-A, section 2604, subsection 3 and a political subdivision within the  
4 meaning of Title 30-A, section 2252.

5 **§2606. Authority and powers**

6 The governing body of an educational service collaborative has the power and  
7 authority:

8 1. **Contracts.** To enter into contracts and accept assignment of contracts by its  
9 participants subject to the requirements of Title 30-A, section 2605.

10 2. **Services.** To hire staff or enter into agreements with its members for staff  
11 services;

12 3. **Real estate.** To acquire and to convey real estate and interests in real estate,  
13 including leases;

14 4. **Budget and cost sharing.** To adopt an annual budget, to expend funds and to  
15 share costs among its participants;

16 5. **Investment.** To invest funds through its treasurer in accordance with Title 30-A,  
17 chapter 223, subchapter 3-A;

18 6. **Gifts and grants.** To accept conditional and unconditional gifts and grants,  
19 outright or in trust. Conditional gifts requiring ongoing commitment of funds must be  
20 authorized by the participants in accordance with applicable law;

21 7. **Lease-purchase financing.** To issue municipal lease-purchase agreements to  
22 vendors or 3rd-party lease-finance companies to finance equipment, facilities,  
23 furnishings, instructional materials, software and related professional services and costs  
24 of issuance for school purposes and, when the educational service collaborative includes  
25 nonschool participants, for corresponding governmental purposes of such nonschool  
26 participants. The term of a lease-purchase agreement may not exceed the anticipated  
27 useful life of the property and in any case may not exceed 10 years. For purposes of and  
28 to the extent permitted by federal tax law, an educational service collaborative is  
29 considered a subordinate entity controlled by the school administrative units, the  
30 members of the school unions and the nonschool participants who belong to the  
31 educational service collaborative. The participants may not delegate their taxing, eminent  
32 domain and police powers to the educational service collaborative; and

33 8. **Organizational powers.** To organize any corporate or other legally recognized  
34 entity, including nonprofit corporations and educational foundations under the United  
35 States Internal Revenue Code, Section 501(c)(3), and to enter into any other legally  
36 recognized arrangement for shared or joint provision of services for the purpose of  
37 promoting the objectives of this chapter. This chapter does not limit the authority of  
38 public agencies, including school administrative units, to enter into agreements under  
39 Title 30-A, chapter 115 to exercise powers jointly, or the authority of school  
40 administrative units or school unions to enter into any other agreements pursuant to  
41 applicable law.



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1 **§2607. Prohibited employment**

2 A member of the governing body of an educational service collaborative or spouse of  
3 a member may not be an employee of the educational service collaborative.

4 **Sec. XXXX-8. 20-A MRSA §4102, sub-§5** is enacted to read:

5 **5. Approval required.** The affirmative vote of at least two-thirds of the elected  
6 membership or voting power of the board of directors of a school administrative district  
7 or a district school committee is required in order to close a school building in a member  
8 municipality.

9 **Sec. XXXX-9. 20-A MRSA §15680, sub-§1, ¶A,** as enacted by PL 2003, c.  
10 504, Pt. A, §6, is amended to read:

11 A. System administration. The per-pupil amount for "system administration" is the  
12 actual system administration expenditures, as defined in the State's accounting  
13 handbook for local school systems, for the most recent year available excluding  
14 expenditures for leases and the purchase of land and buildings, less revenues to  
15 system administration for services to other governments and refunds from a statewide  
16 school management association, divided by the average October and April enrollment  
17 counts for that fiscal year and then inflated to an estimated allocation year level by a  
18 10-year average increase in the Consumer Price Index or other comparable index.  
19 Beginning in school year 2008-2009, this per-pupil amount must be based on school  
20 year 2005-2006 system administration expenditures then reduced by 50% and  
21 inflated to an estimated allocation year level by a 10-year average increase in the  
22 Consumer Price Index or other comparable index;

23 **Sec. XXXX-10. 20-A MRSA §15680, sub-§1, ¶B,** as enacted by PL 2003, c.  
24 504, Pt. A, §6, is amended to read:

25 B. Operation and maintenance of plant. The per-pupil amount for "operation and  
26 maintenance of plant" is the actual operation and maintenance of plant expenditures,  
27 as defined in the State's accounting handbook for local school systems, for the most  
28 recent year available excluding expenditures for leases and the purchase of land and  
29 buildings, divided by the average October and April enrollment counts for that fiscal  
30 year and then inflated to an estimated allocation year level by a 10-year average  
31 increase in the Consumer Price Index or other comparable index. For school year  
32 2008-2009, the resulting per-pupil amount must be reduced by 5%;

33 **Sec. XXXX-11. 20-A MRSA §15681-A, sub-§2-A** is enacted to read:

34 **2-A. Reduction for fiscal year 2008-09.** For fiscal year 2008-09, the commissioner  
35 shall reduce by 5% the allocation for special education costs as described in subsection 2.  
36 These calculated special education costs for school administrative units for fiscal year  
37 2008-09 are subject to the appeals procedure described in subsection 2.

38 **Sec. XXXX-12. 20-A MRSA §15681-A, sub-§3-A** is enacted to read:

39 **3-A. Reduction for fiscal year 2008-09.** For fiscal year 2008-09, the commissioner  
40 shall reduce by 5% the allocation for transportation costs as described in subsection 3.  
41 These calculated transportation costs for school administrative units for fiscal year  
42 2008-09 are subject to the appeals procedure described in subsection 3.

1       **Sec. XXXX-13. 30-A MRSA §5724, sub-§8**, as enacted by PL 1987, c. 737, Pt.  
2 A, §2 and Pt. C, §106 and amended by PL 1989, c. 6; c. 9, §2; and c. 104, Pt. C, §§8 and  
3 10, is further amended to read:

4       **8. Tests and scoring services.** Provide for the use by pupils attending nonpublic  
5 elementary and secondary schools within the municipality or a district the standardized  
6 tests and scoring services ~~which~~ that are in use in the public schools serving that  
7 municipality or district; and

8       **Sec. XXXX-14. 30-A MRSA §5724, sub-§9**, as amended by PL 2003, c. 75, §3,  
9 is further amended to read:

10       **9. Advisory organizations.** Obtain the services of educational advisory  
11 organizations. The Legislature recognizes the Maine School Management Association  
12 and the Maine School Boards Association as nonprofit advisory organizations and  
13 declares these associations to be instrumentalities of their member school administrative  
14 units, municipal and quasi-municipal corporations with their assets upon their dissolution  
15 to be delivered to the Treasurer of State to be held in custody for the municipalities of the  
16 State. An educational advisory organization may receive federal grants or contributions  
17 for their activities with respect to the solution of local problems.

18 A municipality may provide health or remedial services to nonpublic school pupils as  
19 authorized by this section only if those services are available to pupils attending the  
20 public school serving the municipality.

21 Health and remedial services and instructional materials and equipment provided for the  
22 benefit of nonpublic school pupils under this section and the admission of pupils to the  
23 nonpublic schools must be provided without distinction as to race, creed, color, the  
24 national origin of the pupils or of their teachers. No instructional materials or  
25 instructional equipment may be loaned to pupils in nonpublic schools or their parents  
26 unless similar instructional material or instructional equipment is available for pupils in a  
27 public school served by a municipality.

28 A recognized educational advisory organization may contract with a school  
29 administrative unit with fewer than 200 resident pupils for administrative services as  
30 permitted by section 1051, subsection 7.

31       **Sec. XXXX-15. Reorganization planning committee responsibilities.** The  
32 reorganization planning committees established pursuant to the Maine Revised Statutes,  
33 Title 20-A, chapter 103-A are responsible for developing plans for the reorganization of  
34 Maine school administrative units and school unions in accordance with Title 20-A,  
35 chapter 103-A and this section.

36       **1. Initial plans for consolidation.** Initial plans for consolidation must comply with  
37 this subsection.

38       A. On or before March 1, 2008, each reorganization planning committee shall submit  
39 to the Commissioner of Education a reorganization plan that meets the parameters for  
40 reorganization in Title 20-A, section 1455, subsection 1. The plan serves as an initial  
41 notification of intention to reorganize those affected school administrative units and  
42 school unions.

1 B. The commissioner shall review each preliminary plan for school reorganization  
2 submitted pursuant to paragraph A and approve that plan by March 30, 2008 if the  
3 commissioner finds that the plan is consistent with the purposes and goals of Title  
4 20-A, chapter 103-A. Alternatively, if the commissioner determines that the  
5 preliminary plan is not consistent with the goals and purposes of chapter 103-A, the  
6 commissioner shall return the preliminary plan to the reorganization planning  
7 committee with specific suggestions for modification. In that event, the  
8 reorganization planning committee shall revise the preliminary plan to address the  
9 commissioner's concerns and shall submit a revised plan to the commissioner no later  
10 than December 15, 2007. The commissioner shall approve or disapprove the revised  
11 plan by December 31, 2007.

12 **2. Plans for school unit and school union reorganization.** On or before June 30,  
13 2008, each reorganization planning committee shall submit to the commissioner a final  
14 plan for the reorganization of school administrative units and school unions within the  
15 region with a goal of ensuring that each school union and each school administrative unit  
16 not a member of a school union serves at least 2,500 resident pupils if located within  
17 York County or Cumberland County, except that regional school units in those counties  
18 with fewer than 100 people per square mile as determined by the most recent Federal  
19 Decennial Census must serve at least 1,200 students, and each regional school unit in all  
20 other counties must serve at least 1,200 students, with approved exceptions pursuant to  
21 Title 20-A, section 1455, subsection 1, paragraphs C and D. The plans for reorganization  
22 must address at a minimum the following matters consistent with the requirements  
23 established in Title 20-A, section 1455:

24 A. The school administrative units to be included in the proposed reorganized school  
25 administrative unit or school union;

26 B. The size, composition and apportionment of the governing body;

27 C. The method of voting of the governing body;

28 D. The method of sharing costs;

29 E. The disposition of real and personal school property in accordance with Title  
30 20-A, section 1460;

31 F. The disposition of existing school indebtedness and lease-purchase obligations in  
32 accordance with Title 20-A, section 1461;

33 G. The assignment of school personnel contracts, school collective bargaining  
34 agreements and other school contractual obligations in accordance with Title 20-A,  
35 section 1462;

36 H. The disposition of existing school funds, including undesignated fund balances,  
37 trust funds, reserve funds and other funds appropriated for school purposes;

38 I. A plan that ensures the timely development of a budget for the 2009-2010 school  
39 year and interim personnel policies;

40 J. Documentation of the public meeting or public meetings held to prepare or review  
41 the reorganization plan;

1 K. An explanation of how units that approve the reorganization plan will proceed if  
2 one or more of the proposed members of the regional school unit fail to approve the  
3 plan;

4 L. An estimate of the cost savings to be achieved through formation of a regional  
5 school unit and how costs will be reduced or increased, as applicable; and

6 M. Such other matters as the governing bodies of the existing school administrative  
7 units and school unions determine to be necessary.

8 **Sec. XXXX-16. Submission of reports.** The Department of Education shall  
9 submit annual reports to the Legislature no later than January 1, 2008 and January 1,  
10 2009 that describe the progress of the reorganization planning committees and  
11 participating school administrative units with the requirements of the Maine Revised  
12 Statutes, Title 20-A, chapter 103-A. The report submitted by January 1, 2008 must  
13 include a description of those proposed regional school units that have opted to hold a  
14 referendum vote on consolidation in January 2008 as well as a description of the progress  
15 in planning of all other proposed regional school units and the existing obstacles to  
16 consolidation in those proposed units.

17 Elements of the plans for multimunicipal school administrative units related to the  
18 size, composition, apportionment and method of voting of the governing body must  
19 conform to the requirements of Title 20-A, chapter 103, subchapter 3 and chapter 105,  
20 subchapter 2, as applicable.

21 **Sec. XXXX-17. Notification of allocation of funding to school**  
22 **administrative units.** Notwithstanding the Maine Revised Statutes, Title 20-A, section  
23 15689-B, subsection 2, paragraph A, the notice by the Commissioner of Education to  
24 school boards of the estimated amount of state funds to be allocated to the school  
25 administrative unit for school years 2008-2009 and 2009-2010 must be provided not later  
26 than March 31st.

27 **Sec. XXXX-18. Adjustment for regional school unit start-up costs.** The  
28 Commissioner of Education shall establish an adjustment for fiscal year 2008-09 to  
29 support the start-up costs associated with the reorganization of school administrative units  
30 to regional school units in accordance with the Maine Revised Statutes, Title 20-A,  
31 chapter 103-A.

32 **Sec. XXXX-19. Department to conduct review.** The Department of Education  
33 shall conduct a review of unfunded state mandates pertaining to school systems. In  
34 conducting its review, the department shall:

35 1. **List of mandates.** Prepare a comprehensive listing of the state mandates placed  
36 on school administrative units;

37 2. **Legal origin of mandate.** Identify for each listed mandate the precise legal origin  
38 of the mandate, whether state law or rule or a combination of both, or any originating  
39 authority. The department also shall provide notice and analysis of federal mandates that  
40 contribute to or conflict with specific state mandates on school administrative units;

41 3. **Costs of mandates.** Identify the statewide local government costs of each listed  
42 mandate within the limits of practicability; and

- 1           **4. Characteristics of mandates.** Identify the characteristics of each listed mandate.  
2 Identified characteristics may include, but are not limited to, the following:  
3           A. Archaic or unnecessary features or features lacking significant public purpose;  
4           B. Inadequate funding;  
5           C. Disproportionate efforts for the public policy benefit;  
6           D. Coordination between federal law and regulation and state law and rule;  
7           E. Subjection to excessive administrative oversight; and  
8           F. An insufficient structure to predict, measure or control local costs.

9           No later than December 15, 2008, the department shall submit a report that includes  
10 its findings and recommendations, including suggested legislation, for presentation to the  
11 joint standing committee of the Legislature having jurisdiction over education matters. In  
12 its proposed implementing language, the department may include proposals to repeal,  
13 modify, redesign, effectively coordinate or delay the implementation of any of the listed  
14 mandates, as may be appropriate. Following receipt and review of the report, the  
15 committee may submit a bill to the First Regular Session of the 124th Legislature.

16           **Sec. XXXX-20. Report; additional necessary implementing legislation.**  
17 No later than January 31, 2008, the Commissioner of Education shall submit to the Joint  
18 Standing Committee on Education and Cultural Affairs a report that contains  
19 recommendations and any proposed legislation necessary to fully implement this Part.  
20 Following receipt and review of the report, the Joint Standing Committee on Education  
21 and Cultural Affairs may submit legislation to the Second Regular Session of the 123rd  
22 Legislature. No later than January 31, 2009, the Commissioner of Education shall submit  
23 to the joint standing committee of the Legislature having jurisdiction over education  
24 matters a final report that contains recommendations and any proposed legislation  
25 necessary to fully implement this Part. Following receipt and review of the final report,  
26 the joint standing committee of the Legislature having jurisdiction over education matters  
27 may submit legislation to the First Regular Session of the 124th Legislature.'

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

### 30 SUMMARY

31           This amendment changes the framework for the reorganization of school  
32 administrative units as proposed in Committee Amendment "A" in the following ways:

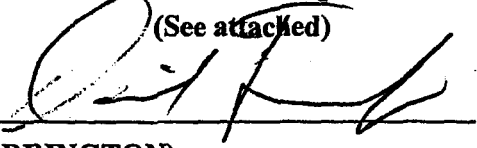
- 33           1. It provides for a January 2008 referendum as an option to a mandatory referendum  
34 required to be held in November 2008, which will allow certain school administrative  
35 districts to be fully consolidated by July 1, 2008;
- 36           2. It establishes minimum sizes for regional school units in York County and  
37 Cumberland County of 2,500 resident students and 1,200 resident students in all other  
38 counties, with approved exceptions for both size requirements; and

R. O. S.

HOUSE AMENDMENT "S" to COMMITTEE AMENDMENT "A" to H.P. 383, L.D. 499

1 3. It authorizes school administrative units and school unions to form educational  
2 service collaboratives to provide joint or shared school administrative and  
3 noninstructional services.

4 FISCAL NOTE REQUIRED  
5 (See attached)

6 SPONSORED BY:   
7 (Representative FARRINGTON)  
8 TOWN: Gorham



# 123rd MAINE LEGISLATURE

LD 499

LR 2452(28)

**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 "S" to Committee Amendment "A"**

**Sponsor: Rep. Farrington of Gorham**

**Fiscal Note Required: Yes**

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## Fiscal Note

No net fiscal impact

### Fiscal Detail and Notes

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