

MAINE STATE LEGISLATURE

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Minority

L.D. 1932

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EDUCATION AND CULTURAL AFFAIRS

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STATE OF MAINE

SENATE

123RD LEGISLATURE

SECOND REGULAR SESSION

Minority

COMMITTEE AMENDMENT "B" to S.P. 741, L.D. 1932, Bill, "An Act To Amend the Laws Regarding School Funding"

Amend the bill in the emergency preamble in the 2nd paragraph in the first line (page 1, line 3 in L.D.) by striking out the following: "financial"

Amend the bill in the emergency preamble in the 3rd paragraph in the last 2 lines (page 1, lines 8 and 9 in L.D.) by striking out the following: "as early as January 15, 2008 or subsequently on June 10, 2008" and inserting the following: 'on or before June 10, 2008'

Amend the bill in the emergency preamble in the 4th paragraph in the first line (page 1, line 10 in L.D.) by striking out the following: "financial"

Amend the bill by striking out all of section 1 and inserting the following:

PART A

Sec. A-1. 20-A MRSA §1305-C, as enacted by PL 2007, c. 240, Pt. XXXX, §11, is amended to read:

§1305-C. Mandatory budget validation and cost center summary budget form

Notwithstanding any other law, school administrative district budgets developed after January 1, 2008 must conform to the format and referendum procedures for regional school units as set forth in sections ~~1305-A and 1305-B~~ 1485 and 1486. A school administrative district is deemed to be a regional school unit solely for the purpose of developing a budget pursuant to sections 1485 and 1486.

Sec. A-2. 20-A MRSA §1452, as enacted by PL 2007, c. 240, Pt. XXXX, §13, is amended to read:

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1 **§1452. Application of general law; core functions of a regional school unit**

2 Notwithstanding any provision of law to the contrary, schools operated by the
3 regional school units established in accordance with this chapter are the official schools
4 of the participating municipalities. The provisions of general law relating to public
5 education apply to these schools. State funds for public schools must be paid directly to
6 the treasurer of a regional school unit. The core functions for which a regional school unit
7 is responsible include without limitation:

8 **1. Employment of superintendent.** Employment and discharge of a superintendent
9 pursuant to section 1001, subsection 3 and chapter 101, subchapter 2;

10 **2. Performance of business functions.** Administration of accounting, payroll,
11 financial management, purchasing insurance and auditing;

12 **3. Special education administration.** Administration of special education duties of
13 school administrative units under chapter 303;

14 **4. Transportation.** Administration of transportation;

15 **5. Core curriculum.** Adoption of a core curriculum, standardized testing and
16 assessments aligned with the system of learning results established in section 6209;

17 **6. Budget.** Adoption of the regional school unit budget;

18 **7. Reporting.** Reporting required by state or federal law or regulation;

19 **8. Employment.** Functioning as the employer of all employees working within the
20 regional school unit for collective bargaining purposes and for all other purposes,
21 including but not limited to those contained in section 1464, in Title 26, chapter 9-A and
22 in all state and federal laws regulating the rights and duties of employers and employees;

23 **9. School calendar.** Establishment of a common school calendar, subject to local
24 variations permitted by the regional school unit board; and

25 **10. Adoption of policies.** Adoption of policies for all schools in the regional school
26 unit pursuant to section 1001, subsection 1-A, except that the local school committee may
27 adopt policies not in conflict with the regional school unit policies.

28 **Sec. A-3. 20-A MRS §1461-A** is enacted to read:

29 **§1461-A. Transitional powers and duties of initial regional school unit board**

30 As used in this section, unless the context indicates otherwise, "regional school unit
31 board" means the initial regional school unit board elected pursuant to section 1472-A.
32 From the time of election of the regional school unit board to July 1st of the regional
33 school unit's first operational year, the regional school unit board shall establish interim
34 rules of procedures and shall elect officers who shall serve until officers are elected at a
35 meeting following the operational date of the regional school unit. The regional school
36 unit board's powers and duties during this period are governed by this section.

37 **1. Selection of superintendent.** The regional school unit board shall select a
38 superintendent for the regional school unit in accordance with section 1051 to carry out
39 the duties specified in section 1055. During the interim period, the salary, office and other
40 expenses of the superintendent, as well as the costs of the regional school unit board,

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1 including insurance, must be allocated to the school administrative units by the cost-
2 sharing formula established in accordance with section 1481-A and included in the
3 reorganization plan for the regional school unit.

4 **2. Budget preparation and approval.** The regional school unit board shall prepare
5 the annual budget for the first operational year of the regional school unit in time for its
6 presentation to and consideration by the regional school unit board in accordance with
7 subchapter 4. Specific duties may be assigned to existing personnel with the approval of
8 the employing school administrative unit. The regional school unit board shall complete
9 the budget development process and recommend a budget for consideration by the
10 legislative body responsible for final budget approval and the residents of the regional
11 school unit. The budget format, approval procedures and assessments for the regional
12 school unit's first operational year budget must be in accordance with this chapter.

13 **3. Authorization.** The regional school unit board is authorized to take all other
14 actions provided under state law to prepare the regional school unit to become operational
15 on July 1st for the first operational year, including the authority to open and maintain
16 accounts, to incur expenses to be allocated among the regional school unit's member
17 school administrative units in accordance with the reorganization plan for the regional
18 school unit and to file applications for school construction projects and revolving
19 renovation fund loans and other available funding.

20 **4. Fiscal agent.** The regional school unit board is authorized to expend start-up
21 funds for the regional school unit. A school administrative unit within the regional
22 school unit may serve as a fiscal agent and may expend any start-up funds on behalf of
23 the new regional school unit prior to the regional school unit's operational date without
24 calling for a special meeting of the local legislative body.

25 **Sec. A-4. 20-A MRSA §1472, sub-§2, ¶C,** as enacted by PL 2007, c. 240, Pt.
26 XXXX, §13, is amended to read:

27 C. A plan may not permit the voting power of any director to exceed by more than
28 2% 5% the percentage of voting power the director would have if all 1,000 votes
29 were apportioned equally among the directors.

30 **Sec. A-5. 20-A MRSA §1472-A** is enacted to read:

31 **§1472-A. Election of initial regional school unit board**

32 **1. Election; interim secretary; duties.** Within 30 days of the issuance of a
33 certificate of organization for the regional school unit by the state board pursuant to
34 section 1461, subsection 7, the members of the school boards of the school administrative
35 units within the regional school unit shall conduct a joint meeting for the purposes of
36 electing an interim secretary of the regional school unit and determining a date for the
37 election of the initial regional school unit board. The interim secretary shall notify the
38 municipal officers of the member municipalities of the regional school unit of the date of
39 the election. The election must be conducted in accordance with section 1473, subsection
40 2, except that the election duties of the secretary and the regional school unit board must
41 be performed by the interim secretary. The duties of the interim secretary include:

42 A. Notifying the municipal officers of the date of the election;

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- 1 B. Furnishing nomination papers at least 10 days before the deadline for filing
- 2 nomination papers;
- 3 C. Receiving completed nomination papers in accordance with section 1473,
- 4 subsection 2;
- 5 D. Preparing and distributing election ballots in accordance with section 1473,
- 6 subsection 2;
- 7 E. Receiving the town clerk's certification of the results of the voting in each
- 8 member municipality;
- 9 F. Tabulating the town clerk's certification of the results of the voting in each
- 10 member municipality;
- 11 G. Accepting any recount petitions that may have been filed pursuant to section
- 12 1473, subsection 2, paragraph C; and
- 13 H. Totaling the votes cast for each candidate and notifying the clerk in each
- 14 municipality, the candidates and the commissioner of the final results of the voting
- 15 and the names and addresses of the persons elected as directors.

16 2. Initial meeting. In accordance with section 1473, subsection 1, the clerk of each
 17 municipality within the regional school unit shall forward the names and addresses of the
 18 directors elected to represent that municipality to the state board with other data regarding
 19 their election as the state board may require. On receipt of the names and addresses of all
 20 of the directors, the state board shall set a time, place and date for the first meeting of the
 21 directors and give notice to the directors in writing, sent by registered or certified mail,
 22 return receipt requested, to the addresses provided by the municipalities.

23 **Sec. A-6. 20-A MRSA §1472-B** is enacted to read:

24 **§1472-B. Staggered initial terms**

25 Notwithstanding section 1471, subsection 2, the initial directors elected to a regional
 26 school unit board shall meet and draw lots for their term lengths as specified in this
 27 section.

28 **1. Municipalities with annual elections.** In municipalities with annual elections,
 29 1/3 of the directors serve one-year terms, 1/3 of the directors serve 2-year terms and 1/3
 30 of the directors serve 3-year terms. If the number of directors is not evenly divisible by 3,
 31 the first remaining director serves a 3-year term and the 2nd remaining director serves a
 32 2-year term.

33 **2. Municipalities with biennial elections.** In municipalities with biennial elections,
 34 half of the directors serve 4-year terms and half of the directors serve 2-year terms. If the
 35 number of directors is not divisible by 2, the remaining director serves a 4-year term.

36 The directors shall serve their terms as determined under this section and any
 37 additional period until the next regular election of the municipalities. Thereafter, the
 38 directors' terms of office are as established in section 1471.

39 **Sec. A-7. 20-A MRSA §1478,** as enacted by PL 2007, c. 240, Pt. XXXX, §13, is
 40 repealed and the following enacted in its place:

1 **§1478. Local school committees**

2 **1. Formation.** A reorganization plan under section 1461 or a regional school unit
3 board may authorize the formation of a local school committee for a member
4 municipality established in accordance with chapter 111, subchapter 1.

5 **2. Delegation of functions.** A reorganization plan that has been approved in
6 accordance with subchapter 2 or a regional school unit board may delegate a local school
7 committee to perform any duties, functions and services other than those reserved to the
8 regional school unit under subchapter 1. The core functions provided by a regional
9 school unit pursuant to section 1452 may be supplemented at the expense of any member
10 municipality.

11 **3. Budget responsibility.** A reorganization plan that has been approved in
12 accordance with subchapter 2 or a regional school unit board may authorize a local school
13 committee to present to the board a proposed budget for the local school in a form that is
14 consistent with section 1485. The proposed local school budget must be submitted in
15 time to be included in the budget for the regional school unit. Proposed expenditures that
16 are not included in the regional school unit budget may be separately appropriated by the
17 municipality to be expended by the regional school unit in accordance with the
18 appropriation. Supplemental municipal appropriations for education are not subject to
19 section 1486.

20 **4. Title to property.** School property overseen by a local school committee may be
21 owned either by the municipality or by the regional school unit as long as there is a clear
22 allocation of responsibilities for management of all of the school property in the regional
23 school unit.'

24 Amend the bill in section 3 in §1481-A in subsection 3 in paragraph A in
25 subparagraph (2) by striking out all of the first 3 lines (page 2, lines 15 to 17 in L.D.) and
26 inserting the following:

27 '(2) Under an alternate method of cost sharing, municipalities in a unit shall
28 share costs based on.'

29 Amend the bill in section 3 in §1481-A in subsection 3 by inserting after paragraph A
30 the following:

31 'B. A process of amending the cost-sharing formula must be included in the
32 reorganization plan.'

33 Amend the bill in section 3 in §1481-A in the last indented paragraph in the 2nd and
34 3rd lines (page 2, lines 32 and 33 in L.D.) by striking out the following: "a school serving
35 children from kindergarten to no higher than grade 8." and inserting the following: 'any
36 school within the regional school unit.'

37 Amend the bill by inserting after section 3 the following:

38 'Sec. 4. 20-A MRS §1482-A is enacted to read:

1 **§1482-A. Budget meeting**

2 A regional school unit board shall hold a regional school unit budget meeting at a
3 time it determines.

4 **1. Warrant.** The budget meeting must be called by a warrant. The warrant must:

5 A. Be signed by a majority of the regional school unit board;

6 B. Specify the time and place of the meeting;

7 C. Include the proposed school budget and other articles the regional school unit
8 board chooses to place before the voters, excluding authorization to borrow money
9 for school construction purposes;

10 D. Specify the state and local shares of the state-local allocation and local leeway
11 and additional expenditures without state participation; and

12 E. Be directed to a resident of the regional school unit by name ordering the resident
13 to notify all voters within the regional school unit to assemble at the time and place
14 appointed.

15 **2. Notice.** An attested copy of the warrant must be posted by the person to whom it
16 is directed in some conspicuous public place in each of the municipalities within the
17 regional school unit at least 7 days before the meeting. The person who gives notice of
18 the meeting shall make a return of the posting on the warrant stating the manner of notice
19 in each municipality and the time when it was given.

20 **3. Requested articles.** If requested by a written petition of at least 10% of the
21 number of voters voting for the gubernatorial candidates in the last gubernatorial election
22 in each municipality within the regional school unit, the regional school unit board shall
23 place specific articles, not in conflict with existing state statutes, in the warrants for
24 consideration at the next annual regional school unit budget meeting. To be included in
25 the warrant, a petition must be received by the regional school unit board at least 15 days
26 before the date set for the budget meeting. When placed on the warrant, the articles must
27 be considered before action relating to the appropriation of money for the operation of
28 schools may be taken.

29 **Sec. 5. 20-A MRSA §1482-B** is enacted to read:

30 **§1482-B. Annual budget meeting procedures**

31 The following procedures must be used at a regional school unit annual budget
32 meeting.

33 **1. Election of moderator.** The secretary of the regional school unit board or the
34 chair of the regional school unit board when the secretary is absent shall open the annual
35 budget meeting and call for the election of a moderator, receive and count votes for the
36 moderator and swear in the moderator.

37 **2. Appointing ballot clerks.** The moderator shall appoint from the certified voting
38 list the ballot clerks necessary for the efficient operation of the annual budget meeting.
39 The moderator shall swear in the clerks.

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1 3. Budget consideration. The superintendent of the regional school unit shall
2 thoroughly explain the budget. The voters must have an opportunity to be heard. The
3 voters may change only items dealing with:

- 4 A. The expenses necessary to operate the regional school unit;
- 5 B. Appropriations for the reserve fund; and
- 6 C. Appropriations for the contingency fund and school construction purposes.

7 4. Approval. A majority vote of those voters present and voting is necessary for the
8 approval of the annual budget.

9 5. Voting lists. Registration of voters for the annual budget meeting must be held in
10 each member municipality in accordance with Title 21-A, section 122.

11 A. Prior to the annual budget meeting, the municipal clerks of the member
12 municipalities shall supply to the regional school unit board certified corrected copies
13 of the registered voters of their municipalities.

14 B. The certified corrected copies under paragraph A must be used in determining the
15 voters who are eligible to vote at the annual budget meeting.

16 6. Written ballot. An article must be voted on by written ballot if at least 10% of
17 those present and voting vote to use a written ballot. The department, in consultation
18 with municipal and school officials and with organizations representing those officials,
19 shall develop and distribute guidelines to assist regional school unit annual budget
20 meeting moderators in explaining and implementing this subsection.

21 **Sec. 6. 20-A MRSA §1506, sub-§1, ¶A,** as enacted by PL 2007, c. 240, Pt.
22 XXXX, §13, is amended to read:

23 A. "Existing debt" means any bond, note, loan agreement, lease-purchase agreement
24 or other debt instrument issued prior to July ~~1, 2008~~ 1st of the first operational year of
25 the new unit for the purposes of funding public schools, or for refinancing such debt,
26 that remains outstanding at the time of a reorganization pursuant to this chapter.
27 "Existing debt" does not include routine payables or commercial contract obligations.

28 **Sec. 7. 20-A MRSA §1506, sub-§4,** as enacted by PL 2007, c. 240, Pt. XXXX,
29 §13, is amended to read:

30 **4. Debt of original education units.** After July ~~1, 2008~~, 1st of the first operational
31 year of the new unit for each original education unit with existing debt that has
32 reorganized into a new unit, if the new unit has not agreed to assume liability to pay that
33 existing debt, the regional school unit board shall serve as agent for purposes of that
34 existing debt and has full authority to:

- 35 A. Sue and be sued in the name of the original education unit with respect to the
- 36 existing debt;
- 37 B. Determine the debt service due each fiscal year on any existing debt;
- 38 C. As applicable, allocate to each member of the original education unit the
- 39 member's share of the annual debt service for the existing debt of the original
- 40 education unit in addition to each member's share of costs of the new unit;

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

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

6 F. Take all other actions necessary and proper with respect to the existing debt.

7 Allocations between members of the original education unit to pay the debt service for
8 the existing debt must be made on the basis of the cost-sharing formula of the original
9 education unit in effect on July 1, 2007, as applied to the year of allocation. In the case of
10 state-subsidized debt service, the provisions of subsection 3 apply. Amounts to pay the
11 debt service on the existing debt of the original education units must be included in the
12 budget that the regional school unit board of a new unit submits for approval. If the
13 original education unit is divided between different new units that have not agreed to
14 assume liability to pay the existing debt, the commissioner shall require that the
15 reorganization plan of one of those new units provide for that new unit to serve as agent
16 for purposes of the existing debt of the original education unit. That new unit, as agent,
17 has the authority provided by this subsection, except that the new unit shall notify the
18 other new units containing members of the original education unit of the amounts they
19 must assess and collect from their members who were members of the original education
20 unit, and those other new units shall perform the functions in subsection 4, paragraphs C
21 and D with respect to their members, and shall pay the appropriate amounts over to the
22 new unit serving as agent.

23 **Sec. 8. 20-A MRSA §1512, sub-§6**, as enacted by PL 2007, c. 240, Pt. XXXX,
24 §13, is amended to read:

25 **6. Multiple municipalities.** If a school proposed for closure is ~~an elementary~~ a
26 school that serves students from more than one municipality, the article set forth in
27 subsection 1 must be submitted to the voters in each of the municipalities that sent all
28 ~~elementary~~ students from that municipality to the school. If the article is approved by a
29 majority of the voters in each of the municipalities, the school is not closed and the
30 municipalities share in the costs under this section in the same proportion as they share
31 the current operating costs of the school.'

32 Amend the bill by striking out all of section 4 and inserting the following:

33 **'Sec. 4. 20-A MRSA §1701-C**, as enacted by PL 2007, c. 240, Pt. XXXX, §16, is
34 amended to read:

35 **§1701-C. Mandatory budget validation and cost center summary budget form**

36 Notwithstanding any other law, community school district budgets developed after
37 January 1, 2008 must conform to the format and referendum procedures for regional
38 school units as set forth in sections ~~1701-A and 1701-B~~ 1485 and 1486. A community
39 school district is deemed to be a regional school unit solely for the purpose of developing
40 a budget pursuant to sections 1485 and 1486.

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1 **Sec. 5. 20-A MRSA §2303**, as amended by PL 1987, c. 737, Pt. C, §§52 and 106
2 and PL 1989, c. 6; c. 9, §2; and c. 104, Pt. C, §§8 and 10, is further amended to read:

3 **§2303. Additional school committee members**

4 Notwithstanding section 2302, a municipality may vote at its annual meeting to have
5 ~~5~~ up to 7 members on the school committee.

6 **1. Vote.** The municipality may vote to ~~have a 5-member board~~ expand its school
7 committee at:

8 A. Its annual meeting; or

9 B. ~~At a~~ A special town meeting held at least 30 days before the annual meeting, if a
10 municipality has accepted Title 30-A, section 2528, relative to secret ballot.

11 **2. Election of additional members.** The municipality may, at its annual meeting,
12 elect by ballot ~~3~~ additional school committee members to serve with the ~~2~~ members
13 whose terms have not expired.

14 **Sec. 6. 20-A MRSA §2307**, as enacted by PL 2007, c. 240, Pt. XXXX, §21, is
15 amended to read:

16 **§2307. School budgets**

17 Notwithstanding any other law, municipal school budgets developed after January 1,
18 2008 must follow the same school budget requirements as regional school units pursuant
19 to chapter 103-A, except as described in subsections 1 and 2. A municipal school unit is
20 deemed to be a regional school unit solely for the purpose of developing a budget
21 pursuant to chapter 103-A.

22 **1. Budget meeting.** In charter municipalities the budget meeting required by section
23 1485, subsection 3 must be a meeting of the municipal council or other municipal
24 legislative body established by the charter with authority to approve the budget.

25 **2. Municipal charter.** In charter municipalities where the municipal charter confers
26 upon a municipal council or other municipal legislative body the authority to determine
27 the total amount of the school budget and confers upon the school committee or school
28 board the authority to direct the expenditure of those funds for school purposes, the
29 municipal council or other municipal legislative body shall determine the total amount of
30 the school budget to be submitted to a budget validation referendum and the school
31 committee or school board shall determine the allocation of the approved school budget
32 among the cost centers of the cost center summary budget format.'

33 Amend the bill by inserting after section 10 the following:

34 ‘**Sec. 11. 20-A MRSA §15688, sub-§3-A, ¶C**, as amended by PL 2007, c. 240,
35 Pt. XXXX, §30, is further amended to read:

36 C. For a school administrative district, community school district or regional school
37 unit composed of more than one municipality, the unit's contribution to the total cost
38 of education is the lesser of:

39 (1) The total cost as described in subsection 1; and

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1 (2) The sum of the totals calculated for each member municipality pursuant to
2 paragraph B, subparagraph (2), ~~plus the total calculated pursuant to paragraph B-~~
3 ~~1 if applicable.~~

4 Amend the bill by inserting after section 11 the following:

5 'Sec. 12. PL 2007, c. 240, Pt. XXXX, §36, sub-§6, ¶A-1 is enacted to read:

6 A-1. Notwithstanding the requirements of paragraph A, the Commissioner of
7 Education may authorize a unit to serve 1,200 or fewer students but not less than
8 1,000 students in an isolated rural community if the proposed regional school unit
9 meets at least one of the following criteria:

10 (1) The proposed regional school unit comprises 3 or more school administrative
11 units in existence prior to July 1, 2008;

12 (2) The member municipalities of the proposed regional school unit are
13 surrounded by approved regional school units and there are no other school
14 administrative units available to join the proposed regional school unit; or

15 (3) The member municipalities of the proposed regional school unit include 2 or
16 more isolated small schools that are eligible for an isolated small school
17 adjustment pursuant to the Maine Revised Statutes, Title 20-A, section 15683,
18 subsection 1, paragraph F.

19 In cases where the Commissioner of Education denies the creation of a regional
20 school unit that serves 1,200 or fewer students but not less than 1,000 students, the
21 school administrative units may appeal to the State Board of Education.

22 **Sec. 13. Retroactivity.** Those sections of this Part that amend the Maine Revised
23 Statutes, Title 20-A, sections 1305-C, 1701-C and 2307 apply retroactively to January 1,
24 2008.

25 **PART B**

26 **Sec. B-1. 20-A MRSA §1, sub-§26,** as amended by PL 2007, c. 240, Pt. XXXX,
27 §5, is further amended to read:

28 **26. School administrative unit.** "School administrative unit" means the state-
29 approved unit of school administration and includes a municipal school unit, school
30 administrative district, community school district, regional school unit or any other
31 municipal or quasi-municipal corporation responsible for operating or constructing public
32 schools, except that it does not include a career and technical education region.
33 Beginning July 1, 2009, "school administrative unit" means the state-approved unit of
34 school administration and includes only a municipal school unit and a regional school
35 unit formed pursuant to chapter 103-A or a union school association formed under
36 chapter 103-B.

37 **Sec. B-2. 20-A MRSA §1, sub-§41-A** is enacted to read:

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1 **41-A. Union school association.** "Union school association" means a state-approved
2 unit of school administration established for the purpose of providing joint administrative
3 services, including a joint superintendent, pursuant to chapter 103-B.

4 **Sec. B-3. 20-A MRSA §1461, sub-§3, ¶B,** as enacted by PL 2007, c. 240, Pt.
5 XXXX, §13, is amended to read:

6 B. In order for the plan to be approved by the commissioner, the governing bodies of
7 school administrative units shall work within the following parameters.

8 (1) ~~The~~ Unless the proposed regional school unit is a union school association
9 established under chapter 103-B, the proposed regional school unit must serve
10 not fewer than 2,500 students, except where circumstances relating to the
11 following factors justify an exception:

12 (a) Geography, including physical proximity and the size of the current
13 school administrative unit;

14 (b) Demographics, including student enrollment trends and the composition
15 and nature of communities in the regional school unit;

16 (c) Economics, including existing collaborations to be preserved or enhanced
17 and opportunities to deliver commodities and services to be maximized;

18 (d) Transportation;

19 (e) Population density; or

20 (f) Other unique circumstances including the need to preserve existing or
21 developing relationships, meet the needs of students, maximize educational
22 opportunities for students and ensure equitable access to rigorous programs
23 for all students.

24 When circumstances justify an exception to the size requirement of 2,500
25 students, the unit must serve as close to 2,500 students as possible and in no case,
26 except for coastal islands and schools operated by tribal school committees, may
27 it serve fewer than 1,200 students.

28 A union school association must serve not fewer than 1,000 students.

29 (2) The plan must provide comprehensive programming for all students from
30 kindergarten to grade 12 and must include at least one publicly supported
31 secondary school.

32 (3) The plan must be consistent with the policies set forth in section 1451.

33 (4) The plan may not displace teachers or students or close any schools existing
34 and operating during the school year immediately preceding reorganization,
35 except as permitted under section 1512.

36 **Sec. B-4. 20-A MRSA §1461, sub-§4,** as enacted by PL 2007, c. 240, Pt.
37 XXXX, §13, is amended to read:

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1 4. **Review and approval of plans.** If the commissioner finds that a plan for
2 reorganization meets the requirements of this chapter, the commissioner shall notify the
3 municipalities and school administrative units, and they shall proceed with referendum.
4 If the commissioner finds that a proposed union school association meets the
5 requirements of chapter 103-B, the commissioner shall notify the governing bodies of the
6 school administrative units included in the proposed reorganization plan, and each
7 governing body shall proceed with a vote to approve the reorganization plan prepared by
8 the reorganization planning committee. Each governing body of the school
9 administrative units included in the proposed reorganization plan shall report the results
10 of the vote to the department following the governing body vote. If a reorganization plan
11 is approved by the governing bodies of all of the affected school administrative units, or
12 by the governing bodies of all of the school administrative units considered sufficient
13 under the proposed union school association's reorganization plan, the commissioner shall
14 file notice of approval of the union school association with the state board.

15 Sec. B-5. 20-A MRSA c. 103-B is enacted to read:

16 **CHAPTER 103-B**

17 **UNION SCHOOL ASSOCIATIONS**

18 **§1521. Formation**

19 **1. Commissioner's authority.** The commissioner shall adjust the organization of
20 school administrative units and school unions within the State in accordance with this
21 chapter to form union school associations that meet the policies set forth in section 1451.

22 **2. Size.** A union school association must serve not fewer than 1,000 students.

23 **3. Reorganization of existing school administrative units and school unions.** On
24 submission of a reorganization plan that has been approved by the governing bodies of
25 the involved school administrative units and school unions, the commissioner may
26 combine 2 or more school administrative units and school unions, or their parts, into a
27 union school association.

28 **4. Collective bargaining.** Collective bargaining agreements existing on the date of
29 formation remain in effect. The governing boards of the participating school
30 administrative units and school unions continue to be the bargaining agents.

31 **5. Transfer of school property.** Property belonging to any participating school
32 administrative unit or school union is not transferred to the union school association upon
33 its formation.

34 **§1522. Union school association governance**

35 **1. Union school association joint committee; appointment; duties.** A union
36 school association is governed by a union school association joint committee. The union
37 school association joint committee is composed of a representative from each of the
38 school boards and school committees of the participating school administrative units as
39 set forth in chapter 107. The union school association joint committee has the duties
40 described in chapter 107 and, following the formation of the union school association,
41 shall establish policies regarding:

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1 A. The assignment of the powers and duties of the union school association joint
2 committee and the powers and duties of the school boards or school committees of
3 the school administrative units consistent with the requirements as set forth in this
4 chapter;

5 B. Union school association joint committee terms of office, compensation,
6 chairmanship, record keeping, vacancies and any other policies that are included in
7 the reorganization plan approved by the commissioner and by the school boards and
8 school committees of the participating school administrative units; and

9 C. The adoption or amendment of policies or duties considered necessary or useful
10 by the union school association joint committee to govern the union school
11 association.

12 2. Voting. The method of voting for a union school association joint committee
13 must be the weighted vote method under section 1902, subsection 2.

14 3. Meetings. A union school association joint committee shall meet no fewer than 4
15 times a year.

16 4. Superintendent. A union school association joint committee shall hire a
17 superintendent and additional staff as necessary in accordance with the provisions of
18 chapter 107. The union school association must be administered by a superintendent of
19 schools, who may be employed by the union school association joint committee
20 consistent with section 1051. The union school association joint committee shall
21 designate the duties of the superintendent and any administrative staff certified under
22 section 13011, subsection 5, who may act as designated agents of the superintendent, in
23 accordance with the provisions of this Title.

24 **§1523. System administration**

25 1. Transition plan; implementation. Following the formation of a union school
26 association joint committee and the hiring of the superintendent, the union school
27 association shall implement the transition plan included in the reorganization plan
28 approved by the commissioner for the centralization of the services to be provided by the
29 system administration of the union school association.

30 2. Long-term sustainability. A union school association joint committee may adopt
31 or amend policies that promote the long-term sustainability of system administration and
32 program delivery of the union school association in accordance with the goals under
33 section 1451, including but not limited to the following aspects of system administration:

34 A. The acceptance of gifts, federal funds and other donations by the union school
35 association;

36 B. The ownership or leasing of real and personal school property; and

37 C. The assignment of school personnel contracts, school collective bargaining
38 agreements and other school contractual obligations.

COMMITTEE AMENDMENT

11 of 8.

1 **§1524. Budget procedures**

2 **1. Budget approval; participating units.** Each participating school administrative
3 unit and school union in a union school association may approve its individual portion of
4 the union school association school budget.

5 **2. Approval; joint committee.** The union school association joint committee may
6 approve the union school association budget by majority vote.

7 **3. Distribution of funds.** The commissioner shall ensure that state funds for the
8 union school association are paid or credited to the appropriate municipalities within the
9 participating school administrative units or school unions.

10 **§1525. Rules**

11 The commissioner may adopt routine technical rules in accordance with Title 5,
12 chapter 375, subchapter 2-A to implement this chapter.

13 **Sec. B-6. Alternative plan for the formation of union school associations;**
14 **legislative intent and policy.** Notwithstanding Public Law 2007, chapter 240, Part
15 XXXX, this Part establishes the process for increasing the efficiency and effectiveness of
16 school administrative units and school unions by providing a process for reorganizing
17 them into union school associations that meet the policies set forth in the Maine Revised
18 Statutes, Title 20-A, section 1451. This Part furthers the intent of the Legislature to
19 achieve sustainable, long-term administrative efficiencies by assisting school
20 administrative units and school unions to develop an alternative plan for providing
21 administrative services in more efficient structures that meet the requirements of Title 20-
22 A, chapter 103-B.

23 **1. Information to be presented to school officials and reorganization planning**
24 **committees.** Not later than February 15, 2008, the Commissioner of Education, or the
25 commissioner's designee, shall present information to school officials and reorganization
26 planning committees about the requirements of this Part regarding the option of
27 developing an alternative plan for reorganizing existing school administrative units or
28 school unions into union school associations. The policies set forth in Title 20-A, section
29 1451 for the reorganization of school administrative units must be included in the
30 information presented to school officials and reorganization planning committees.

31 **2. Notice of intent to develop an alternative plan.** By April 1, 2008, each school
32 administrative unit or school union may file with the Commissioner of Education a notice
33 of intent to engage in planning and negotiations with other school administrative units or
34 school unions for the purpose of developing an alternative plan to form a union school
35 association under this Part and Title 20-A, chapter 103-B. The notice of intent to develop
36 an alternative plan to form a union school association may be submitted only by a school
37 administrative unit or school union where circumstances justify formation of a union
38 school association and where expansion of the school administrative unit or school union
39 would be inconsistent with the policies set forth in Title 20-A, section 1451.

40 **3. Reorganization planning committee.** School administrative units and school
41 unions that intend to engage in planning and negotiation to create an alternative plan to
42 form a union school association shall form a reorganization planning committee.

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1 A. For each proposed union school association, the Commissioner of Education shall
2 provide guidelines for the formation of a reorganization planning committee,
3 including representation from the school administrative units and school unions in
4 existence on the effective date of this Part, member municipalities and members of
5 the general public who are residents of the proposed union school association. The
6 guidelines must include roles and responsibilities of the committee, timelines for
7 submission of the plan, the format for reporting the reorganization plan and
8 evaluation criteria for approval of the plan.

9 B. Reorganization planning committees shall hold one or more public meetings to
10 gather input from community members and to determine the sentiment of the public.

11 **4. Submission of alternative plan.** By July 1, 2008, each school administrative unit
12 and school union shall submit to the Commissioner of Education its proposed
13 reorganization plan for consolidation into a union school association that meets the
14 requirements of subsections 5 and 6. Each school administrative unit and school union
15 shall exercise due diligence and act in good faith in developing an alternative plan that
16 meets the requirements of this Part and furthers the intent of the Legislature to achieve
17 sustainable, long-term administrative efficiencies. A school administrative unit and
18 school union that submits an alternative plan to the commissioner in accordance with this
19 Part may not be subject to the financial penalties set forth in Title 20-A, section 15696.

20 **5. Content of alternative plan.** An alternative plan for reorganization as a union
21 school association must include:

22 A. The units of school administration to be included in the proposed union school
23 association;

24 B. The size, composition and apportionment of the union school association joint
25 committee, including terms of office, compensation, chairmanship, record keeping
26 and method of filling a vacancy;

27 C. The method of voting of the union school association joint committee consistent
28 with the weighted vote method as set forth in Title 20-A, section 1902, subsection 2;

29 D. The assignment of the powers and duties of the union school association joint
30 committee and the powers and duties of the school boards and school committees of
31 the school administrative units consistent with the requirements as set forth in Title
32 20-A, chapter 103-B;

33 E. A transition plan that addresses the development of a budget for the first school
34 year of the union school association and a 3-year timeline for the centralization of the
35 services to be provided by the system administration of the union school association,
36 including:

37 (1) Central office financial and human resources services, including but not
38 limited to accounting, business management, payroll and benefits, human
39 resources, teacher certification and substitute teacher services;

40 (2) Noninstructional support services, including but not limited to transportation
41 and vehicle maintenance, facilities management, food services, information
42 technology and communications services, fuel and energy services and bulk
43 purchasing of supplies;

1 (3) Instructional support services, including but not limited to curriculum
2 development, testing and assessment, data collection and reporting, professional
3 development, instructional materials and resources and library and media
4 services; and

5 (4) Instructional services, including but not limited to adult education, career and
6 technical education, gifted and talented education, alternative education,
7 transitional programming, special education including therapy services, guidance
8 counseling and itinerant teacher services.

9 The transition plan submitted by July 1, 2008 must include, at a minimum, the
10 development of the budget for the first school year of the union school association.
11 By September 1, 2008, the 3-year timeline for the centralization of services to be
12 provided by the system administration of the union school association must be
13 submitted. The timeline does not need to describe how each of the services in
14 subparagraphs (1) to (4) will be provided, but must describe how the union school
15 association will centralize one or more of the services listed in each of these
16 subparagraphs during the 3-year period;

17 F. Documentation of the public meeting or public meetings held to prepare or review
18 the reorganization plan;

19 G. An explanation of how school administrative units or school unions that approve
20 the reorganization plan will proceed if one or more of the proposed members of the
21 union school association fail to approve the plan;

22 H. An estimate of the cost savings to be achieved through formation of a union
23 school association and how costs will be reduced; and

24 I. Such other matters as the governing bodies of the school administrative units and
25 school unions in existence on the effective date of this Part may determine to be
26 necessary.

27 **6. Parameters.** In developing an alternative plan for the reorganization of school
28 administrative units and school unions in existence on the effective date of this Part into a
29 union school association, the governing bodies of the school administrative units and
30 school unions shall work within the following parameters:

31 A. The proposed union school association must serve not fewer than 1,000 students;

32 B. The alternative plan must provide comprehensive programming for all students
33 from kindergarten to grade 12 and must include at least one publicly supported
34 secondary school;

35 C. The alternative plan must be consistent with the policies set forth in Title 20-A,
36 section 1451;

37 D. The alternative plan may not displace teachers or students or close any schools
38 existing and operating during the school year immediately preceding reorganization,
39 except as permitted under Title 20-A, section 1512; and

40 E. The plan must address how the school administrative units and school unions will
41 reorganize administrative functions, duties and noninstructional personnel so that the
42 projected expenditures of the reorganized school unit in fiscal year 2009-10 for
43 system administration, transportation, special education and facilities and

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1 maintenance will not have an adverse impact on the instructional program of the
2 proposed union school association.

3 **7. Review plans.** If the Commissioner of Education finds that an alternative plan for
4 reorganization meets the requirements of this Part, the commissioner shall notify the
5 school administrative units and school unions and they shall proceed with ratification
6 votes by the governing boards of the affected school administrative units and school
7 unions.

8 A. If the commissioner finds that an alternative plan for reorganization is not
9 consistent with subsection 6 and the purposes and goals of this Part or that it has not
10 adequately addressed the matters set forth in subsection 6, the commissioner shall
11 return the alternative plan to the governing bodies of those school administrative
12 units and school unions by July 15, 2008 with specific suggestions for modification
13 of the alternative plan and written findings providing the specific reasons why the
14 alternative plan did not meet with the requirements in this Part.

15 B. Upon the return of an alternative plan for reorganization by the commissioner, the
16 governing bodies of the school administrative units and school unions shall revise the
17 proposed alternative plan for reorganization to address the commissioner's findings
18 and submit a revised alternative plan for reorganization not more than 30 days after
19 the commissioner returns the plan for revision.

20 C. The commissioner shall make a determination whether the revised alternative plan
21 for reorganization meets the requirements of this Part not more than 14 days after it is
22 refiled by the school administrative units and school unions.

23 D. The commissioner may not find that an alternative plan for reorganization does
24 not meet the requirements of this Part solely on the ground that a finding that it meets
25 the requirements would cause the number of regional school units in the State to
26 exceed 80.

27 **Sec. B-7. Adjustment for union school association 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 and school unions to union school associations in accordance with the Maine Revised
31 Statutes, Title 20-A, chapter 103-B and this Part.

32 **Sec. B-8. Department of Education review of state education mandates.**
33 Notwithstanding Public Law 2007, chapter 240, Part XXXX, section 45, subsection 5, the
34 deadline for the Department of Education report on the review conducted of state
35 education mandates is July 1, 2008.

36 **Sec. B-9. Reports; additional necessary implementing legislation.** No later
37 than January 31, 2009, the Commissioner of Education shall submit to the Joint Standing
38 Committee on Education and Cultural Affairs a report that contains recommendations and
39 any proposed legislation necessary to fully implement this Part including legislation to
40 convert school administrative units and school unions to the union school association
41 form of governance on July 1, 2009. Following receipt and review of the report, the Joint
42 Standing Committee on Education and Cultural Affairs may submit legislation to the First
43 Regular Session of the 124th Legislature.'

13.07.08.
COMMITTEE AMENDMENT "B" to S.P. 741, L.D. 1932

1 Amend the bill by relettering or renumbering any nonconsecutive Part letter or
2 section number to read consecutively.

3 **SUMMARY**

4 This amendment is the minority report of the Joint Standing Committee on Education
5 and Cultural Affairs. Part A of the amendment accomplishes the following.

6 1. It clarifies the authorization provided to regional planning committees to negotiate
7 a cost-sharing agreement for those costs of a proposed regional school unit that are in
8 addition to the local contribution required pursuant to the Maine Revised Statutes, Title
9 20-A, section 15690.

10 2. It repeals a cross-reference to the unit of law that is repealed in the bill regarding
11 the requirement that each municipality that is a member of a new regional school unit
12 contribute a minimum of 2 mills of the municipality's property fiscal capacity to the total
13 cost of education of the new regional school unit.

14 3. It includes language inadvertently left out of the bill regarding the requirement
15 that the reorganization plan include a process for amending the cost-sharing formula.

16 4. It clarifies the roles of the municipal officers and the school committee for
17 municipal school units whose municipal charters give authority to approve the school
18 budget to the municipal officers and establishes the requirements for calling a budget
19 meeting and the procedures for the budget meeting.

20 5. It clarifies the relationship between a regional school unit board and a local school
21 that seeks to raise additional funds for an elementary school or a secondary school that is
22 owned or managed by the member municipality. The amendment also removes 2
23 references to "elementary" schools in the school closure provisions to clarify that
24 secondary schools are also subject to these requirements.

25 6. It permits the Commissioner of Education to authorize so-called "doughnut hole"
26 school units that have 1,200 or fewer students and no other available reorganization
27 partners to form a regional school unit that serves at least 1,000 students if these isolated,
28 rural school units meet certain criteria.

29 7. It clarifies the assumption of existing debt that is transferred from an original
30 education unit to a new regional school unit that is formed after July 1, 2008.

31 8. It provides regional school unit boards with the legal authority to receive and
32 spend state and local funds, including funds for the election of regional school unit board
33 members and to hire a superintendent prior to the operational date of the new regional
34 school unit on July 1, 2009.

35 Part B of the amendment accomplishes the following.

36 1. It provides existing school administrative units and school unions with the option
37 of forming a union school association that serves a minimum of 1,000 students instead of
38 a regional school unit that is organized pursuant to the school reorganization provisions
39 of Public Law 2007, chapter 240, Part XXXX.

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1 2. It provides that the Commissioner of Education may approve union school
2 associations. The union school association is based on the school union model of
3 governance, except that the central administrative office of the union school association
4 must also meet the savings targets for administrative costs through collaboration with the
5 school administrative units that comprise the union school association.

6 3. It provides that, by April 1, 2008, school administrative units and school unions
7 may file with the Commissioner of Education a notice of intent to engage in planning and
8 negotiation to develop an alternative plan to form a union school association. It also
9 provides that each school administrative unit and school union shall submit to the
10 Commissioner of Education, by July 1, 2008, the alternative reorganization plan to form a
11 union school association.

12 4. It provides that an alternative plan to form a union school association must include,
13 among other things: the participating school units; the composition and powers of the
14 union school association joint committee; the weighted voting method for the joint
15 committee; the development of the budget for the first school year; a 3-year transition
16 plan for the centralization of joint administrative services; and an estimate of the cost
17 savings to be achieved.

18 5. It provides that, upon approval by the Commissioner of Education, an alternative
19 plan for the formation of a union school association must be ratified by the governing
20 boards of the participating school administrative units and school unions.

21 6. It changes the reporting deadline, notwithstanding Public Law 2007, chapter 240,
22 Part XXXX, section 45, for the Department of Education review of unfunded state
23 mandates pertaining to school systems from December 15, 2008 to July 1, 2008.

FISCAL NOTE REQUIRED
(See Attached)

COMMITTEE AMENDMENT



123rd MAINE LEGISLATURE

LD 1932

LR 3324(06)

An Act To Amend the Laws Regarding School Funding

Fiscal Note for Bill as Amended by Committee Amendment "B"

Committee: Education and Cultural Affairs

Fiscal Note Required: Yes

Fiscal Note

Potential future biennium cost increase - General Fund

Fiscal Detail and Notes

Although this legislation will not impact the total state and local cost of funding K-12 public education in fiscal year 2008-09, it may affect the distribution of subsidy to local school administrative units (SAU's) with some units receiving more subsidy and some units receiving less subsidy. The impact to individual school administrative units can not be determined at this time.

Providing school administrative units with the option of forming a union school association that serves a minimum of 1,000 students versus the parameters established in Public Law 2007, chapter 240, Part XXXX may increase the total cost of K-12 public education in future biennia due to less savings being achieved. The amount can not be determined at this time and will depend on the number of union school associations established, the number of students served by the associations, and the ability of union school associations to implement efficiencies that will reduce its per-pupil expenditures in order to be more in line with the state average. Information provided by the Department of Education indicates that, for fiscal year 2005-06, the average per-pupil expenditures for school unions that served pre-kindergarten to grade 8 students was \$1,009 higher than the state average and \$1,385 higher for school unions that served pre-kindergarten to grade 12 students.

One example is in the special education area. Title 20-A, §15681-A, sub-§2(D) requires that school administrative units receive sufficient funds for special education to ensure that the SAU's meet the federal maintenance of effort requirement for receiving federal Individuals with Disabilities Act funds. The maintenance of effort requirement states that the total amount of state and local funds budgeted by the local education agency for expenditures in a current fiscal year for the education of children with disabilities must be at least equal to the total amount of state and local school funds actually expended for the education of children with disabilities in the most recent preceding fiscal year. A smaller composition of school administrative units (1,000 students vs. 1,200 students) may result in less savings being achieved, thus requiring a higher level of state and local funding in order to fulfill the maintenance of effort requirement.

A second example is in the transportation area. Title 20-A, §15681-A, sub-§3 requires that school administrative units receive no less than 90% of the most recent year's reported net transportation expenditures. A smaller composition of school administrative units (1,000 students vs. 1,200 students) may result in less savings being achieved, resulting in a higher level of funding to meet the statutory requirement.