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Date: 2-12-08

(Filing No. H-679)

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

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

Amend the bill by inserting after section 3 the following:

'Sec. 4. 20-A MRSA c. 103-A, sub-c. 7 is enacted to read:

SUBCHAPTER 7

REORGANIZATION OF REGIONAL SCHOOL UNITS

§1516. Dissolution of a district

1. Ten percent petition. Upon receipt of a petition that seeks to dissolve a regional school unit and establishes a maximum figure for the cost of preparing a dissolution agreement signed by 10% of the number of voters in a municipality who voted at the last gubernatorial election, the municipal officers of the municipality within the regional school unit shall call and hold a special election, in the manner provided for the calling and holding of town meetings or city elections, to vote on the dissolution of the regional school unit.

A. At least 10 days before the election, a posted or otherwise advertised public hearing on the petition must be held by the municipal officers.

B. The petition must be approved by secret ballot by a 2/3 vote of the voters present and voting before it may be presented to the board of directors and the commissioner. Voting in towns must be conducted in accordance with Title 30-A, sections 2528 and 2529, even if the towns have not accepted the provisions of Title 30-A, section 2528, and voting in cities must be conducted in accordance with Title 21-A.

2. Form. The article to be voted upon must be in substantially the following form:

"Article: Do you favor filing a petition for dissolution with the directors of regional school unit (name of regional school unit) and with the Commissioner of Education, authorizing the dissolution committee to expend \$ (insert amount) and authorizing the (municipal officers; i.e., selectmen, town council, etc.) to issue notes in the name of the (name of the municipality) or otherwise pledge the credit of the (name of the municipality) in an amount not to exceed \$ (insert amount) for this purpose?"

Yes No"

3. Notice of vote; finding by commissioner. If residents of a municipality within the regional school unit vote favorably on a petition for dissolution, the clerk shall immediately give written notices, by registered mail, to the secretary of the regional school unit and the commissioner that must include:

A. The petition adopted by the voters, including the positive and negative votes cast; and

B. An explanation by the municipal officers, stating to the best of their knowledge the reason or reasons why the municipality seeks to dissolve the regional school unit.

4. Agreement for dissolution; notice; changes in agreement; final agreement.
The agreement for dissolution must comply with the following.

A. The commissioner, after consultation with the regional school unit board of directors, municipal officers of each municipality within the regional school unit and representatives of the group that filed the petition with the municipality, shall direct the municipal officers of each municipality to select representatives to a committee as follows: one member from the municipal officers, the group filing the petition; and one member from the general public; and one member from the group filing the petition if the group is represented in the municipality, otherwise an additional one member of the general public. The commissioner shall also direct the directors representing each municipality to select one member of the board of directors who represents that municipality to serve on the committee. The municipal officer and the member of the board of directors shall serve on the committee only so long as they hold their respective offices. Vacancies must be filled by the municipal officers and board of directors. The chair of the board of directors shall call a meeting of the committee within 30 days of the filing of the notice of the vote in subsection 3. The chair of the board of directors shall open the meeting by presiding over the election of a chair of the committee. The responsibility for the preparation of the agreement rests with the committee, subject to the approval of the commissioner. The committee may draw upon the resources of the department for information not readily available at the local level and employ competent advisors within the fiscal limit authorized by the voters. The agreement must be submitted to the commissioner within 90 days after the committee is formed. Extensions of time may be granted by the commissioner upon the request of the committee.

(1) The agreement must contain provisions to provide educational services for all students in the regional school unit. The agreement must provide that during the first year following the dissolution, students may attend the school they would have attended if the regional school unit had not dissolved. The allowable tuition rate for students sent from one municipality to another in the former regional school unit must be determined under section 5805, subsection 1, except that it is not subject to the state per pupil average limitation in section 5805, subsection 2.

(2) The agreement must establish the dissolution to take effect at the end of the regional school unit's fiscal year.

(3) The agreement must establish that the dissolution will not cause a need within 5 years from the effective date of dissolution for school construction

1 projects that would be eligible for state funds. This limitation does not apply
2 when a need for school construction existed prior to the effective date of the
3 dissolution or when a need for school construction would have arisen even if the
4 regional school unit had not dissolved.

5 (4) The agreement must establish how transportation services will be provided.

6 (5) The agreement must provide for administration of the new administrative
7 units, which should not include the creation of new supervisory units if at all
8 possible.

9 (6) The agreement must make provision for the distribution of financial
10 commitments arising from outstanding bonds, notes and any other contractual
11 obligations that extend beyond the proposed date of dissolution.

12 (7) The agreement must make appropriate provision for the distribution of any
13 outstanding financial commitments to the superintendent of the regional school
14 unit.

15 (8) The agreement must provide for the continuation and assignment of
16 collective bargaining agreements as they apply to the new or reorganized regional
17 school unit for the duration of those agreements and must provide for the
18 continuation of representational rights.

19 (9) The agreement must provide for the continuation of continuing contract
20 rights under section 13201.

21 (10) The agreement must provide for the disposition of all real and personal
22 property and other monetary assets.

23 (11) The agreement must provide for the transition of administration and
24 governance of the schools to properly elected governing bodies of the newly
25 created administrative units and must provide that the governing bodies may not
26 be elected simultaneously with the vote on the article to dissolve unless the
27 commissioner finds there are extenuating circumstances that necessitate
28 simultaneous elections.

29 B. Within 60 days of the receipt of the agreement, the commissioner shall either give
30 it conditional approval or recommend changes. The changes must be based upon the
31 standards set forth in paragraph A and the commissioner's findings of whether the
32 contents of the plan will provide for appropriate educational and related services to
33 the students of the regional school unit and for the orderly transition of assets,
34 governance and other matters related to the regional school unit.

35 C. If the commissioner gives conditional approval of the agreement, the
36 commissioner shall notify the board of directors and the municipal officers by
37 registered mail of the time and place of a public hearing at least 20 days prior to the
38 date set for the hearing to discuss the merits of the proposed agreement of dissolution.
39 The chair of the board of directors shall conduct the hearing.

40 (1) The board of directors shall post a public notice in each municipality of the
41 time and location of the hearing at least 10 days before the hearing.

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1 (2) Within 30 days following the hearing, the committee shall forward the final
2 agreement to the commissioner.

3 D. If the commissioner recommends changes, the commissioner shall:

4 (1) Send the agreement back to the committee for necessary corrections;

5 (2) Establish a maximum time within which to make the corrections; and

6 (3) Indicate that the corrected agreement must be returned to the commissioner
7 for conditional approval before it goes to public hearing as set forth in paragraph
8 C.

9 5. Date of vote; notice; warrant; polling hours. The date and time for voting is as
10 set forth in this subsection.

11 A. The commissioner must determine the date upon which all municipalities must
12 vote upon the dissolution agreement submitted to them. The election must be held as
13 soon as practicable and the commissioner shall attempt to set the date of the vote to
14 coincide with a statewide election.

15 B. At least 35 days before the date set in paragraph A, the board of directors shall
16 give written notice by registered or certified mail to the town or city clerk of each
17 municipality having a right to vote on the dissolution agreement.

18 C. The town or city clerk shall immediately notify the municipal officers upon
19 receipt of the notice, and the municipal officers shall meet and immediately issue a
20 warrant for a special town meeting or city election, as the case may be, to be held on
21 the date designated by the commissioner. No other date may be used.

22 D. In the respective warrants, the municipal officers shall direct that the polls open at
23 10 a.m. and remain open until 8 p.m.

24 6. Public hearing; voting procedures. The following requirements apply to the
25 voting procedures.

26 A. At least 10 days before the election, the municipal officers shall hold a posted or
27 otherwise advertised public hearing on the dissolution question.

28 B. Except as otherwise provided in this section, the voting at the meetings held in
29 towns must be conducted in accordance with Title 30-A, sections 2528 and 2529,
30 even if the towns have not accepted the provisions of Title 30-A, section 2528.

31 C. The voting at the meeting held in cities must be conducted in accordance with
32 Title 21-A.

33 7. Article. The article to be voted on must be in the following form.

34 "Article: Do you favor the dissolution of regional school unit (name of regional
35 school unit) subject to the terms and conditions of the dissolution agreement dated
36 (insert date)?

37 Yes No"

1 **8. Ballots; posting of agreement.** The dissolution agreement need not be printed on
2 the ballot. Copies of the agreement must be posted in each participating municipality in
3 the same manner as specimen ballots are posted under Title 30-A, section 2528.

4 **9. Restriction on dissolution petitions.** A municipality within a regional school
5 unit may not petition for dissolution within 2 years after the date of:

6 A. A municipal vote on a petition for dissolution if the petition received less than
7 60% of the votes cast; or

8 B. A regional school unit vote on a dissolution agreement if the agreement received
9 less than 45% of the votes cast.

10 **10. Costs of dissolution agreements.** If the regional school unit votes to permit
11 dissolution, then the regional school unit shall reimburse the petitioning municipality for
12 the authorized expenses incurred by the dissolution committee. If the regional school unit
13 votes not to permit dissolution, then the regional school unit will not be required to
14 reimburse the petitioning municipality for those expenses.

15 **11. Determination of vote.** The town and city clerks shall, within 24 hours of
16 determination of the result of the vote in their respective municipalities, certify the total
17 number of votes cast in the affirmative and the total number of votes cast in the negative
18 on the article to the board of directors.

19 **12. Determination of results; notification of commissioner; execution of**
20 **agreement.** Determination of results must comply with the following.

21 A. Upon receipt of the results of the voting from all municipalities, the board of
22 directors shall meet and shall compute and record the total number of votes cast in the
23 municipalities in the affirmative and in the negative on the article.

24 B. The board of directors shall notify the commissioner by registered mail or by
25 hand delivery of the results of the vote.

26 C. If the commissioner finds that a majority of the voters voting on the article have
27 voted in the affirmative, the commissioner shall notify the directors of the regional
28 school unit to take steps to dissolve the regional school unit in accordance with the
29 terms of the agreement for dissolution.

30 **13. Recount; checklists and ballots; disputed ballots.** The following provisions
31 apply to recounts, checklists, ballots and disputed ballots.

32 A. If, within 7 days of the computation and recording of the results of the voting
33 from all municipalities, the municipal officers of any participating municipality
34 request to the commissioner in writing a recount of the votes in the regional school
35 unit, the commissioner shall immediately cause the checklists and all the ballots cast
36 in all of the participating municipalities to be collected and kept at the commissioner's
37 office so they may be recounted by interested municipalities.

38 B. The town clerks of the participating municipalities are authorized to deliver the
39 checklists and ballots to the commissioner, notwithstanding any other provision of
40 law to the contrary.

41 C. The commissioner shall resolve any question with regard to disputed ballots.

1 14. Execution of agreement; certified record; certificate of withdrawal. When
2 the agreement for dissolution has been put into effect by the directors of the regional
3 school unit, the directors shall notify the commissioner by certified mail that the
4 agreement of dissolution has been executed.

5 A. A complete certified record of the transaction involved in the dissolution must be
6 filed with the commissioner.

7 B. The commissioner shall immediately issue a certificate of dissolution to be sent
8 by certified mail for filing with the directors of the regional school unit and shall file
9 a copy in the office of the Secretary of State.

10 15. Indebtedness; indebtedness defined; indebtedness after dissolution. The
11 following provisions apply to outstanding indebtedness.

12 A. Whenever a regional school unit having outstanding indebtedness dissolves, the
13 regional school unit remains intact for the purpose of securing and retiring the
14 indebtedness. The dissolution agreement may provide for alternate means for retiring
15 outstanding indebtedness.

16 B. For the purposes of this subsection, "outstanding indebtedness" means bonds or
17 notes for school construction projects issued by the board of directors pursuant to the
18 authorization established under chapter 609 or Title 20, sections 3457 to 3460 or
19 obligations to the Maine School Building Authority pursuant to any contract, lease or
20 agreement made by the board of directors pursuant to approval thereof in a meeting
21 of the regional school unit, but does not include any indebtedness of any municipality
22 assumed by the regional school unit at the time of formation nor any contract, lease
23 or agreement of the Maine School Building Authority to which by operation of law
24 the regional school unit has become the assignee.

25 16. General purpose aid. When a regional school unit dissolves, the general
26 purpose aid for the individual municipalities must be computed in accordance with
27 chapter 606-B.

28 17. Committee recall. If the commissioner determines that the dissolution
29 committee has failed to comply with the requirements of this section, the commissioner
30 may authorize the municipal officers and the board of directors of the regional school unit
31 to recall their representatives and to appoint new representatives to the committee.

32 **§1517. Withdrawal of a single municipality from a regional school unit**

33 1. Petition. The residents of a municipality within a regional school unit may
34 petition to withdraw from the regional school unit as follows.

35 A. Ten percent of the number of voters in the municipality who voted at the last
36 gubernatorial election must sign the petition to withdraw from the regional school
37 unit.

38 B. At least 10 days before the special election called pursuant to this paragraph, the
39 municipal officers of the municipality within the regional school unit shall hold a
40 posted or otherwise advertised public hearing on the petition and shall call and hold
41 the special election, in the manner provided for the calling and holding of town
42 meetings or city elections to vote on the withdrawal of the regional school unit.

1 C. The petition to withdraw from the regional school unit must be approved by secret
2 ballot by a majority vote of the voters present and voting before it may be presented
3 to the board of directors and the commissioner. Voting in towns must be conducted in
4 accordance with Title 30-A, sections 2528 and 2529, even if the towns have not
5 accepted the provisions of Title 30-A, section 2528, and voting in cities must be
6 conducted in accordance with Title 21-A.

7 **2. Form.** The article to be voted upon must be in substantially the following form:

8 "Article: Do you favor filing a petition for withdrawal with the directors of regional
9 school unit (name of regional school unit) and with the Commissioner of Education,
10 authorizing the withdrawal committee to expend \$ (insert amount) and authorizing
11 the (municipal officers; i.e., selectmen, town council, etc.) to issue notes in the name
12 of the (name of the municipality) or otherwise pledge the credit of the (name of the
13 municipality) in an amount not to exceed \$ (insert amount) for this purpose?

14 Yes No"

15 **3. Notice of vote; finding by commissioner.** If residents of the municipality vote
16 favorably on a petition for withdrawal, the clerk shall immediately give written notices,
17 by registered mail, to the secretary of the regional school unit and the commissioner that
18 must include:

19 A. The petition adopted by the voters, including the positive and negative votes cast;
20 and

21 B. An explanation by the municipal officers, stating to the best of their knowledge
22 the reason or reasons why the municipality seeks to withdraw from the regional
23 school unit.

24 **4. Agreement for withdrawal; notice; changes in agreement; final agreement.**
25 The agreement for withdrawal must comply with the following.

26 A. The commissioner shall direct the municipal officers of the petitioning
27 municipality to select representatives to a committee as follows: one member from
28 the municipal officers, the group filing the petition; and one member from the general
29 public; and one member from the group filing the petition if the group is represented
30 in the municipality, otherwise an additional one member of the general public. The
31 commissioner shall also direct the directors representing the petitioning municipality
32 to select one member of the board of directors who represents that municipality to
33 serve on the committee. The municipal officer and the member of the board of
34 directors serve on the committee only so long as they hold their respective offices.
35 Vacancies must be filled by the municipal officers and board of directors. The chair
36 of the board of directors shall call a meeting of the committee within 30 days of the
37 filing of the notice of the vote in subsection 3. The chair of the board of directors
38 shall open the meeting by presiding over the election of a chair of the committee. The
39 responsibility for the preparation of the agreement rests with the committee, subject
40 to the approval of the commissioner. The committee may draw upon the resources of
41 the department for information not readily available at the local level and employ
42 competent advisors within the fiscal limit authorized by the voters. The agreement
43 must be submitted to the commissioner within 90 days after the committee is formed.

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- 1 Extensions of time may be granted by the commissioner upon the request of the
2 committee.
- 3 (1) The agreement must contain provisions to provide educational services for all
4 students in the regional school unit. The agreement must provide that during the
5 first year following the withdrawal, students may attend the school they would
6 have attended if the petitioning municipality had not withdrawn. The allowable
7 tuition rate for students sent from one municipality to another in the former
8 regional school unit must be determined under section 5805, subsection 1, except
9 that it is not subject to the state per pupil average limitation in section 5805,
10 subsection 2.
- 11 (2) The agreement must establish the withdrawal to take effect at the end of the
12 regional school unit's fiscal year.
- 13 (3) The agreement must establish that the withdrawal will not cause a need
14 within 5 years from the effective date of withdrawal for school construction
15 projects that would be eligible for state funds. This limitation does not apply
16 when a need for school construction existed prior to the effective date of the
17 withdrawal or when a need for school construction would have arisen even if the
18 municipality had not withdrawn.
- 19 (4) The agreement must establish how transportation services will be provided.
- 20 (5) The agreement must provide for administration of the new municipal
21 administrative unit, which should not include the creation of new supervisory
22 units if at all possible.
- 23 (6) The agreement must make provision for the distribution of financial
24 commitments arising from outstanding bonds, notes and any other contractual
25 obligations that extend beyond the proposed date of withdrawal.
- 26 (7) The agreement must make appropriate provision for the distribution of any
27 outstanding financial commitments to the superintendent of the regional school
28 unit.
- 29 (8) The agreement must provide for the continuation and assignment of
30 collective bargaining agreements as they apply to the new or reorganized regional
31 school unit for the duration of those agreements and must provide for the
32 continuation of representational rights.
- 33 (9) The agreement must provide for the continuation of continuing contract
34 rights under section 13201.
- 35 (10) The agreement must provide for the disposition of all real and personal
36 property and other monetary assets.
- 37 (11) The agreement must provide for the transition of administration and
38 governance of the schools to properly elected governing bodies of the newly
39 created municipal administrative unit and must provide that the governing body
40 may not be elected simultaneously with the vote on the article to withdraw unless

1 the commissioner finds there are extenuating circumstances that necessitate
2 simultaneous elections.

3 B. Within 60 days of the receipt of the agreement, the commissioner shall either give
4 it conditional approval or recommend changes. The changes must be based upon the
5 standards set forth in paragraph A and the commissioner's findings of whether the
6 contents of the plan will provide for appropriate educational and related services to
7 the students of the municipality and the regional school unit and for the orderly
8 transition of assets, governance and other matters related to the municipality and the
9 regional school unit.

10 C. If the commissioner gives conditional approval of the agreement, the
11 commissioner shall notify the board of directors and the municipal officers by
12 registered mail of the time and place of a public hearing at least 20 days prior to the
13 date set for the hearing to discuss the merits of the proposed agreement of
14 withdrawal. The chair of the board of directors shall conduct the hearing.

15 (1) The board of directors shall post a public notice in each municipality of the
16 time and location of the hearing at least 10 days before the hearing.

17 (2) Within 30 days following the hearing, the committee shall forward the final
18 agreement to the commissioner.

19 D. If the commissioner recommends changes, the commissioner shall:

20 (1) Send the agreement back to the committee for necessary corrections;

21 (2) Establish a maximum time within which to make the corrections; and

22 (3) Indicate that the corrected agreement must be returned to the commissioner
23 for conditional approval before it goes to public hearing as set forth in paragraph
24 C.

25 **5. Date of municipal election; notice; warrant; polling hours.** The date and time
26 for voting is as set forth in this subsection.

27 A. The commissioner shall determine the date upon which the petitioning
28 municipality must vote upon the agreement submitted to them. The election must be
29 held as soon as practicable and the commissioner shall attempt to set the date of the
30 vote to coincide with a statewide election.

31 B. At least 35 days before the date set in paragraph A, the commissioner shall give
32 written notice by registered or certified mail to the town or city clerk of the
33 municipality petitioning to withdraw.

34 C. The town or city clerk shall immediately notify the municipal officers upon
35 receipt of the notice, and the municipal officers shall meet and immediately issue a
36 warrant for a special town meeting or city election, as the case may be, to be held on
37 the date designated by the commissioner. No other date may be used.

38 D. In the respective warrants, the municipal officers shall direct that the polls open at
39 10 a.m. and remain open until 8 p.m.

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1 6. Public hearing; voting procedures. The following requirements apply to the
2 voting procedures.

3 A. At least 10 days before the election, the municipal officers shall hold a posted or
4 otherwise advertised public hearing on the withdrawal question.

5 B. Except as otherwise provided in this section, the voting at the meetings held in
6 towns must be conducted in accordance with Title 30-A, sections 2528 and 2529,
7 even if the towns have not accepted the provisions of Title 30-A, section 2528.

8 C. The voting at the meeting held in cities must be conducted in accordance with
9 Title 21-A.

10 7. Article. The article to be voted on must be in the following form.

11 "Article: Do you favor the withdrawal of the (name of municipality) from the
12 regional school unit (name of regional school unit) subject to the terms and
13 conditions of the withdrawal agreement dated (insert date)?

14 Yes No"

15 8. Ballots; posting of agreement. The withdrawal agreement need not be printed on
16 the ballot. Copies of the agreement must be posted in the municipality in the same
17 manner as specimen ballots are posted under Title 30-A, section 2528.

18 9. Restriction on withdrawal petitions. A municipality within a regional school
19 unit may not petition for withdrawal within 2 years after the date of:

20 A. A municipal vote on a petition for withdrawal if the petition received less than
21 45% of the votes cast; or

22 B. A municipal vote on a withdrawal agreement if the agreement received less than
23 60% of the votes cast.

24 10. Cost of advisors. The expense of employing competent advisors by the
25 municipality petitioning to withdraw must be borne by the municipality and the expense
26 of employing competent advisors by the regional school unit must be borne by the
27 regional school unit with the municipality bearing its share according to the regional
28 school unit's cost-sharing agreement.

29 11. Determination of vote. The town and city clerks shall, within 24 hours of
30 determination of the result of the vote in the municipality, certify the total number of
31 votes cast in the affirmative and the total number of votes cast in the negative on the
32 article to the commissioner.

33 12. Determination of results; execution of agreement. If the commissioner finds
34 that a majority of the voters voting on the article have voted in the affirmative, the
35 commissioner shall notify the municipal officers and the directors of the regional school
36 unit to take steps for the withdrawal in accordance with the terms of the agreement for
37 withdrawal.

38 13. Recount; checklists and ballots; disputed ballots. The following provisions
39 apply to recounts, checklists, ballots and disputed ballots.

40 A. If, within 7 days of the computation and recording of the results of the voting, the
41 municipality requests to the commissioner in writing a recount of the votes, the

1 commissioner shall immediately cause the checklists and all the ballots cast in the
2 municipality to be collected and kept at the commissioner's office so they may be
3 recounted by the municipality.

4 B. The town or city clerk of the municipality is authorized to deliver the checklists
5 and ballots to the commissioner, notwithstanding any other provision of law to the
6 contrary.

7 C. The commissioner shall resolve any question with regard to disputed ballots.

8 **14. Execution of agreement; certified record; certificate of withdrawal.** When
9 the agreement for withdrawal has been put into effect by the municipality, the municipal
10 officers shall notify the commissioner by certified mail that the agreement of withdrawal
11 has been executed.

12 **15. Indebtedness; indebtedness defined; indebtedness after withdrawal.** The
13 following provisions apply to outstanding indebtedness.

14 A. Whenever a municipality withdraws from a regional school unit having
15 outstanding indebtedness, the regional school unit remains intact for the purpose of
16 securing and retiring the indebtedness. The withdrawal agreement may provide for
17 alternate means for retiring outstanding indebtedness.

18 B. For purposes of this subsection, "outstanding indebtedness" means bonds or notes
19 for school construction projects issued by the board of directors pursuant to the
20 authorization established under chapter 609 or Title 20, sections 3457 to 3460 or
21 obligations to the Maine School Building Authority pursuant to any contract, lease or
22 agreement made by the board of directors pursuant to approval thereof in a meeting
23 of the regional school unit, but does not include any indebtedness of the municipality
24 assumed by the regional school unit at the time of formation nor any contract, lease
25 or agreement of the Maine School Building Authority to which by operation of law
26 the regional school unit has become the assignee.

27 **16. General purpose aid.** When a municipality withdraws from a regional school
28 unit, the general purpose aid for the municipality must be computed in accordance with
29 chapter 606-B.

30 **17. Committee recall.** If the commissioner determines that the withdrawal
31 committee has failed to comply with the requirements of this section, the commissioner
32 may authorize the municipal officers to appoint new representatives to the committee.

33 **18. Commissioner recommended dissolution.** The commissioner's responsibilities
34 to initiate dissolution proceedings are as follows.

35 A. If a municipality representing more than 50% of the total population in a regional
36 school unit votes to withdraw from the district, then the commissioner shall analyze
37 the educational impact of the withdrawal upon the regional school unit. The regional
38 school unit's board of directors and the municipal officers from the remaining
39 municipalities must be consulted.

40 B. If the commissioner finds that it is impractical for the remaining municipalities to
41 continue as a regional school unit, then the commissioner shall initiate a dissolution



1 process by having the regional school unit submit the following article to the voters at
2 a regional school unit meeting.

3 "Article: Do you favor appointment of a dissolution committee for the dissolution
4 of regional school unit (name of regional school unit) by the Commissioner of
5 Education, authorizing the dissolution committee to expend \$ (insert amount)
6 and authorizing the (municipal officers; i.e., selectmen, town council, etc.) to
7 issue notes in the name of the (name of the municipality) or otherwise pledge the
8 credit of the (name of the municipality) of in an amount not to exceed \$ (insert
9 amount) for this purpose?

10 Yes No"

11 C. If the voters approve the article by a majority vote of those voting and present,
12 then the rest of the dissolution process set forth in section 1516 applies except:

13 (1) A 2nd member from the general public must be selected by the municipal
14 officers to fill the position on the dissolution committee normally held by a
15 representative of the group that would have filed the dissolution petition; and

16 (2) Costs of preparing a dissolution agreement must be borne solely by the
17 regional school unit.

18 **19. Transfer of property.** The board of directors may negotiate with the
19 withdrawal committee regarding an equitable division of the regional school unit's
20 property between the regional school unit and the municipality represented by the
21 committee and transfer title of the property to the municipality following withdrawal. The
22 board of directors shall determine that the regional school unit's educational program may
23 not be disrupted solely because of the transfer of any given property before it may
24 complete the transfer.

25 **§1518. Transfer of a municipality from one regional school unit to another**

26 **1. Petition to commissioner.** The boards of directors of 2 regional school units may
27 petition the commissioner by joint resolution to permit a municipality to transfer from
28 one regional school unit to another, as long as that municipality is being transferred to a
29 regional school unit contiguous to the municipality.

30 **2. Transfer agreement.** The boards of directors of the 2 regional school units and
31 the municipal officers of the municipality involved shall form a committee to prepare a
32 transfer agreement within 60 days after being notified by the commissioner to prepare the
33 agreement. Extensions of time may be granted by the commissioner.

34 A. The committee shall consider the standards set forth in section 1516, subsection 4,
35 paragraph A in preparing the agreement.

36 B. The approval process for the agreement shall follow the steps set forth in section
37 1516, subsection 4 to subsection 16.

38 C. The following article shall appear on the ballot when the transfer of a
39 municipality is considered.

40 "Article: Do you favor permitting the (name of municipality) to transfer from
41 regional school unit (name of regional school unit) into regional school unit

1 (name of regional school unit) as a participating municipality of that regional
2 school unit subject to the terms and conditions of the agreement of transfer
3 approved by the Commissioner of Education dated (insert date)?

4 Yes No"

5 A copy of the agreement must be posted with each warrant that directs the citizens to
6 vote upon the question.

7 D. The article must be approved by a majority of votes cast in both regional school
8 units and by a majority of votes cast in the municipality to be transferred before the
9 agreement may take effect.

10 E. A complete certified record of the transaction involved in the transfer must be
11 filed with the commissioner. The commissioner shall issue immediately a certificate
12 of transfer to the secretary of the regional school unit by registered mail to be filed
13 with the boards of directors of the regional school units involved and shall file a copy
14 of the certificate of transfer in the office of the Secretary of State.

15 **3. Outstanding indebtedness.** Whenever a municipality, or a part of a municipality,
16 is detached from a regional school unit having outstanding indebtedness, the municipality
17 or part of a municipality remains as part of the regional school unit from which it was
18 detached for the purposes of paying its proper portion of the indebtedness until the
19 indebtedness is redeemed. The municipality or part of a municipality is not part of the
20 regional school unit from which it was detached for the purpose of any outstanding
21 indebtedness incurred subsequent to the date of the certificate of transfer.

22 For purposes of this subsection, "outstanding indebtedness" means bonds or notes for
23 school construction projects issued by the board of directors pursuant to the authorization
24 established under chapter 609 or Title 20, sections 3457 to 3460 or obligations to the
25 Maine School Building Authority pursuant to any contract, lease or agreement made by
26 the board of directors pursuant to approval thereof in a meeting of the regional school
27 unit, but does not include any indebtedness of the municipality assumed by the regional
28 school unit at the time of formation nor any contract, lease or agreement of the Maine
29 School Building Authority to which by operation of law the regional school unit has
30 become the assignee.

31 **§1519. State board review of commissioner's decisions**

32 A regional school unit or other interested party may request that the state board
33 reconsider decisions made by the commissioner under this subchapter. The state board
34 has the authority to overturn decisions made by the commissioner. In exercising this
35 power, the state board is limited by this subchapter.

36 **§1520. Rules**

37 The state board may adopt rules to carry out this subchapter. Rules adopted pursuant
38 to this section are routine technical rules in accordance with Title 5, chapter 375,
39 subchapter 2-A.'

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

SUMMARY

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This amendment enacts into law provisions regarding reorganization of regional school units. The new provisions are similar to the Maine Revised Statutes, Title 20-A, former sections 1403, 1405 and 1406 and allow the dissolution of regional school units, the withdrawal from a regional school unit by a municipality and the transfer by a municipality out of one regional school unit into another. The amendment also includes provisions that formerly applied in this area of law authorizing the State Board of Education to review decisions of the Commissioner of Education and to make rules concerning the reorganization of the regional school units.

FISCAL NOTE REQUIRED

(See attached)

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SPONSORED BY: *Yarnel McFadden*

(Representative MCFADDEN)

TOWN: Dennysville



Approved: 02/08/08 *MAC*

123rd MAINE LEGISLATURE

LD 1932

LR 3324(19)

An Act To Amend the Laws Regarding School Funding

Fiscal Note for House Amendment "A"

Sponsor: Rep. McFadden of Dennysville

Fiscal Note Required: Yes

Fiscal Note

Potential future biennium cost increase - General Fund

Fiscal Detail and Notes

Allowing for the dissolution of a regional school unit (RSU) or the withdrawal of a regional school unit member from an RSU may increase the total cost of K-12 public education in future biennia due to less savings being achieved versus what was anticipated in Public Law 2007, chapter 240, Part XXXX. The amount can not be determined at this time.