

MAINE STATE LEGISLATURE

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123rd MAINE LEGISLATURE

SECOND REGULAR SESSION-2008

Legislative Document

No. 1932

S.P. 741

November 28, 2007

An Act To Amend the Laws Regarding School Funding

(EMERGENCY)

Submitted by the Department of Education pursuant to Joint Rule 204.

Received by the Secretary of the Senate on November 28, 2007. Referred to the Committee on Education and Cultural Affairs pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

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

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator BOWMAN of York.

Cosponsored by Representative NORTON of Bangor and

Senators: MITCHELL of Kennebec, TURNER of Cumberland, Representatives: CAIN of Orono, MILLETT of Waterford, STRANG BURGESS of Cumberland.

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

3 **Whereas,** certain financial barriers have been identified that may delay the
4 implementation of the school district reorganization law, Public Law 2007, chapter 240,
5 Part XXXX; and

6 **Whereas,** reorganization planning committees are engaged in negotiating proposed
7 reorganization plans that, upon approval of the Commissioner of Education, are expected
8 to be submitted to voters in affected municipalities across the State as early as January 15,
9 2008 or subsequently on June 10, 2008; and

10 **Whereas,** the removal of these financial barriers can reasonably be expected to
11 enable reorganization planning committees to successfully negotiate and submit proposed
12 reorganization plans in a timely manner; and

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

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

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

20 **§1305-C. Mandatory budget validation and cost center summary budget form**

21 Notwithstanding any other law, school administrative district budgets developed after
22 January 1, 2008 must conform to the format and referendum procedures set forth in
23 sections 1305-A and 1305-B sections 1485 and 1486.

24 **Sec. 2. 20-A MRSA §1481,** as enacted by PL 2007, c. 240, Pt. XXXX, §13, is
25 repealed.

26 **Sec. 3. 20-A MRSA §1481-A** is enacted to read:

27 **§1481-A. Finances**

28 **1. Apportionment of costs for regional school unit.** A regional school unit may
29 raise money, in addition to the local contribution pursuant to section 15690, subsection 1,
30 for establishing and maintaining public schools, erecting buildings and providing
31 equipment for educational purposes. The additional costs of operating a regional school
32 unit must be shared among all municipalities within the regional school unit by the same
33 local share percentages for each municipality resulting from the determination of the local
34 contribution under section 15688.

35 **2. Existing cost-sharing agreement.** Notwithstanding subsection 1, a cost-sharing
36 agreement in existence on June 7, 2007 that was adopted pursuant to Public Law 2005,

1 chapter 2 or pursuant to a private and special law remains in existence unless the parties
2 to the agreement modify or terminate the agreement:

3 A. As part of a reorganization to regional school units under this chapter; or

4 B. As a result of a negotiated agreement between the parties to the cost-sharing
5 agreement.

6 **3. Method included in reorganization plan.** Notwithstanding subsection 1, a
7 regional school unit may use a method of cost sharing that was included in a
8 reorganization plan developed pursuant to section 1461 or Public Law 2007, chapter 240,
9 Part XXXX, section 36 as long as the method complies with this subsection.

10 A. The costs of operating a regional school unit must be shared among all
11 municipalities within the unit in one of the following ways.

12 (1) Under a property valuation method, municipalities in a unit shall share costs
13 in the same proportion as each municipality's property fiscal capacity as defined
14 in section 15672, subsection 23 is to the unit's property fiscal capacity.

15 (2) Under an alternate plan approved by the state board and by a vote of the
16 legislative bodies of the school administrative units forming the unit and based
17 on:

18 (a) The number of resident pupils in each town;

19 (b) The property fiscal capacity of each member municipality as defined in
20 section 15672, subsection 23;

21 (c) Any combination of divisions (a) and (b); or

22 (d) Any other factor or combination of factors that may, but need not,
23 include divisions (a) or (b).

24 Notwithstanding any provision of law to the contrary, a cost-sharing agreement in
25 existence on June 7, 2007 that was adopted pursuant to Public Law 2005, chapter 2 or
26 pursuant to a private and special law may not be construed to preempt the formation of a
27 regional school unit under this chapter. Notwithstanding any provision of law to the
28 contrary, a cost-sharing agreement between 2 or more municipalities in existence on June
29 7, 2007 that was adopted prior to June 7, 2007 may not be construed to preempt the
30 formation of a regional school unit under this chapter.

31 Notwithstanding any provisions of law to the contrary, a municipality within a
32 regional school unit may raise money and direct the spending of the funds to a school
33 serving children from kindergarten to no higher than grade 8.

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

1 **§1701-C. Mandatory budget validation and cost center summary budget form**

2 Notwithstanding any other law, community school district budgets developed after
3 January 1, 2008 must conform to the format and referendum procedures set forth in
4 ~~sections 1701-A and 1701-B~~ sections 1485 and 1486.

5 **Sec. 5. 20-A MRSA §5203, sub-§4**, as enacted by PL 1981, c. 693, §§ 5, 8, is
6 repealed and the following enacted in its place:

7 **4. Exception; no elementary school.** A school administrative unit that neither
8 maintains an elementary school nor contracts for elementary school privileges pursuant to
9 chapter 115 shall pay the tuition, in accordance with chapter 219, at the public school or
10 the approved private school of the parent's choice at which the student is accepted.

11 **Sec. 6. 20-A MRSA §5204, sub-§4**, as amended by PL 1985, c. 797, §32, is
12 further amended to read:

13 **4. No secondary school.** ~~Secondary students whose parents reside in a~~ A school
14 ~~administrative unit which that~~ administrative unit which ~~neither maintains a secondary school nor contracts for~~ that neither maintains a secondary school nor contracts for
15 ~~secondary school privileges may attend a private school approved for tuition purposes, a~~ secondary school privileges ~~public school in an adjoining unit which accepts tuition students, or a school approved for~~ may attend a private school approved for tuition purposes, a
16 ~~tuition purposes in another state or country upon permission of officials of the receiving~~ public school in an adjoining unit which accepts tuition students, or a school approved for
17 ~~school. The school administrative unit where the students' parents reside shall pay tuition~~ tuition purposes in another state or country upon permission of officials of the receiving
18 ~~in the amount up to the legal tuition rate as defined in chapter 219 pursuant to chapter 115~~ school. The school administrative unit where the students' parents reside shall pay tuition
19 ~~shall pay the tuition, in accordance with chapter 219, at the public school or the approved~~ in the amount up to the legal tuition rate as defined in chapter 219 pursuant to chapter 115
20 ~~private school of the parent's choice at which the student is accepted.~~ shall pay the tuition, in accordance with chapter 219, at the public school or the approved
21 private school of the parent's choice at which the student is accepted.

22 **Sec. 7. 20-A MRSA §6051, sub-§1, ¶C**, as enacted by PL 1985, c. 797, §36, is
23 amended to read:

24 C. A determination of whether or not the annual financial ~~report~~ report data submitted to
25 the department is correct;

26 **Sec. 8. 20-A MRSA §6051, sub-§4**, as amended by PL 2005, c. 683, Pt. A, §25,
27 is further amended to read:

28 **4. Initial report to commissioner.** On or before ~~December~~ November 1st, the
29 school board shall provide the commissioner with:

30 C. Written determination of whether or not proper budgetary controls are in place;

31 D. A written determination of whether or not the annual financial ~~report~~ report data
32 submitted to the department is correct, including submission of an audited
33 reconciliation of the annual financial ~~report~~ report data prepared and certified by the auditor;
34 and

35 E. A written determination as to whether the school administrative unit has
36 complied with applicable provisions of the Essential Programs and Services Funding
37 Act.

1 **Sec. 9. 20-A MRSA §6051, sub-§6**, as enacted by PL 2001, c. 344, §9, is
2 amended to read:

3 **6. Report to commissioner.** Within 9 6 months after the end of the audit period, the
4 school board shall provide the commissioner with:

- 5 A. A copy of the audit report;
- 6 B. Accountability of all revenues and expenditures;
- 7 C. Written assurance that the audit has been conducted in accordance with
8 applicable state and federal laws relating to financial and compliance audits; and
- 9 D. Any other information that the commissioner may require.

10 **Sec. 10. 20-A MRSA §15688, sub-§3-A, ¶B-1**, as enacted by PL 2007, c. 240,
11 Pt. XXXX, §30, is repealed.

12 **Sec. 11. 20-A MRSA §15689, sub-§1-B** is enacted to read:

13 **1-B. Adjustments to state contributions to member municipalities in regional**
14 **school units.** The minimum state allocation provisions of subsection 1, paragraph B are
15 applicable for each case in which the school administrative units in existence prior to the
16 operational date of the new regional school unit received an adjustment under subsection
17 1, paragraph B for fiscal year 2007-08 or fiscal year 2008-09. For each regional school
18 unit eligible under this subsection, the minimum state allocation provisions of subsection
19 1, paragraph B are applicable for each member municipality that was a member of the
20 eligible school administrative units in existence prior to the operational date of the new
21 regional school unit.

22 **Emergency clause.** In view of the emergency cited in the preamble, this
23 legislation takes effect when approved.

24 **SUMMARY**

25 The bill amends the laws regarding school funding to address and correct school
26 funding issues that present barriers to the implementation of school reorganization.