

MAINE STATE LEGISLATURE

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L.D. 2173

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Date: 3-27-08

(Filing No. H-830)

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STATE OF MAINE

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HOUSE OF REPRESENTATIVES

6

123RD LEGISLATURE

7

SECOND REGULAR SESSION

8

HOUSE AMENDMENT "F" to COMMITTEE AMENDMENT "A" to H.P. 1547,
9 L.D. 2173, Bill, "An Act To Make Supplemental Appropriations and Allocations for the
10 Expenditures of State Government and To Change Certain Provisions of the Law
11 Necessary to the Proper Operations of State Government for the Fiscal Years Ending
12 June 30, 2008 and June 30, 2009"

13

Amend the amendment by inserting after Part MMMM the following:

14

PART NNNN

15

16 **Sec. NNNN-1. 20-A MRSA §1462, sub-§3**, as enacted by PL 2007, c. 240, Pt.
XXXX, §13, is amended to read:

17

18 **3. Financing assumed debts.** A regional school unit shall assume the outstanding
19 indebtedness of a school administrative unit in existence prior to the operational date of
20 the new regional school unit for school construction projects approved for subsidy under
21 chapter 609 and pursuant to section 1506. If a regional school unit board of directors has
22 assumed the outstanding indebtedness of a school administrative unit in existence prior to
23 the operational date of the new regional school unit, the directors of the regional school
24 unit board may, notwithstanding any other statute or any provision of any trust
25 agreement, use any sinking fund or other money set aside by the school administrative
26 unit in existence prior to the operational date of the new regional school unit to pay off
27 the indebtedness for which the money was dedicated. A regional school unit board of
28 directors is not required to assume the outstanding indebtedness of a school
29 administrative unit in existence prior to the operational date of the new regional school
30 unit in its regional school unit for nonstate-funded projects pursuant to section 15905-A
and pursuant to section ~~1481~~ 1481-A.

31

32 **Sec. NNNN-2. 20-A MRSA §1463, sub-§2**, as enacted by PL 2007, c. 240, Pt.
XXXX, §13, is amended to read:

33

34 **2. Transfer of governing authority.** The regional school unit board of directors, on
35 the date established pursuant to subsection 1, shall assume responsibility for the
36 management and control of the public schools and programs within the school
37 administrative units in existence prior to the operational date of the new regional school
unit that are within the regional school unit. Those school administrative units in

existence prior to the operational date of the new regional school unit on the date established in subsection 1 have no further responsibility for the operation or control of the public schools and programs within the school administrative unit except those pursuant to section 1481 1481-A.

Sec. NNNN-3. 20-A MRSA §1481, as enacted by PL 2007, c. 240, Pt. XXXX, §13, is repealed.

Sec. NNNN-4. 20-A MRSA §1481-A is enacted to read:

§1481-A. Finances

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

2. Existing cost-sharing agreement. Notwithstanding subsection 1, a cost-sharing agreement in existence on June 7, 2007 that was adopted pursuant to Public Law 2005, chapter 2 or pursuant to a private and special law remains in existence unless the parties to the agreement modify or terminate the agreement:

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

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

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

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

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

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

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

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

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

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

R. 015.

HOUSE AMENDMENT "F" to COMMITTEE AMENDMENT "A" to H.P. 1547, L.D. 2173

1 B. A process of amending the cost-sharing formula must be included in the
2 reorganization plan developed under this chapter.

3 Notwithstanding any provision of law to the contrary, a cost-sharing agreement in
4 existence on June 7, 2007 that was adopted pursuant to Public Law 2005, chapter 2 or
5 pursuant to a private and special law may not be construed to preempt the formation of a
6 regional school unit under this chapter. Notwithstanding any provision of law to the
7 contrary, a cost-sharing agreement between 2 or more municipalities in existence on June
8 7, 2007 that was adopted prior to June 7, 2007 may not be construed to preempt the
9 formation of a regional school unit under this chapter.

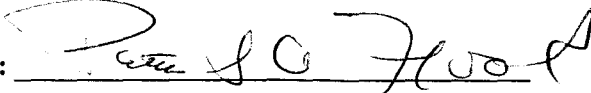
10 Notwithstanding any provision of law to the contrary, a municipality within a
11 regional school unit may raise money and direct the spending of the funds to any school
12 within the regional school unit.'

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

15 **SUMMARY**

16 This amendment adds a section to add language to the school funding laws for
17 apportionment costs, cost sharing and the method of cost sharing included in a school
18 reorganization plan developed pursuant to Public Law 2007, chapter 240.

19 **SPONSORED BY:**



20 **(Representative FLOOD)**

21 **TOWN: Winthrop**

FISCAL NOTE REQUIRED
(See attached)



Approved: 03/26/08 *MAC*

123rd MAINE LEGISLATURE

LD 2173

LR 3445(35)

An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and To Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2008 and June 30, 2009

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

Sponsor: Rep. Flood of Winthrop

Fiscal Note Required: Yes

Fiscal Note

No State fiscal impact

Fiscal Detail and Notes

This amendment will have no net effect on General Fund appropriations and revenue and a balanced budget is maintained for the 2008-2009 biennium.

Although this amendment will not impact the total state and local cost of funding K-12 public education, beginning in fiscal year 2008-09 it may affect the distribution of subsidy to local school administrative units 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.