

MAINE STATE LEGISLATURE

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Date: 3-27-08

(Filing No. S- 495)

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STATE OF MAINE
SENATE
123RD LEGISLATURE
SECOND REGULAR SESSION

SENATE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to H.P. 1547, L.D. 2173, Bill, "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"

Amend the amendment by inserting after Part MMMM the following:

PART NNNN

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

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

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

2. **Transfer of governing authority.** The regional school unit board of directors, on the date established pursuant to subsection 1, shall assume responsibility for the management and control of the public schools and programs within the school 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

SENATE AMENDMENT

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

5 **Sec. NNNN-3. 20-A MRSA §1481**, as enacted by PL 2007, c. 240, Pt. XXXX,
6 §13, is repealed.

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

8 **§1481-A. Finances**

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

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

- 20 A. As part of a reorganization to regional school units under this chapter; or
- 21 B. As a result of a negotiated agreement between the parties to the cost-sharing
- 22 agreement.

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

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

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

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

- 34 (a) The number of resident pupils in each town;
- 35 (b) The property fiscal capacity of each member municipality as defined in
- 36 section 15672, subsection 23;
- 37 (c) Any combination of divisions (a) and (b); or
- 38 (d) Any other factor or combination of factors that may, but need not,
- 39 include divisions (a) or (b).

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:** Karl W. Turner

20 **(Senator TURNER)**

21 **COUNTY: Cumberland**

FISCAL NOTE REQUIRED
(See attached)



123rd MAINE LEGISLATURE

LD 2173

LR 3445(40)

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 Senate Amendment "A" to Committee Amendment "A"

Sponsor: Sen. Turner of Cumberland

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.