

MAINE STATE LEGISLATURE

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Date: 4-10-08

(Filing No. S- 603)

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STATE OF MAINE
SENATE
123RD LEGISLATURE
FIRST SPECIAL SESSION

SENATE AMENDMENT "E" to H.P. 1645, L.D. 2280, Bill, "An Act To Clarify and Improve the Laws Governing the Formation of Regional School Units"

Amend the bill by striking out everything after the enacting clause and before the emergency clause and inserting the following:

PART A

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

26. School administrative unit. "School administrative unit" means the state-approved unit of school administration and includes a municipal school unit, school administrative district, community school district, regional school unit or any other municipal or quasi-municipal corporation responsible for operating or constructing public schools, except that it does not include a career and technical education region. ~~Beginning July 1, 2009, "school administrative unit" means the state approved unit of school administration and includes only a municipal school unit and a regional school unit formed pursuant to chapter 103-A.~~

Sec. A-2. 20-A MRSA §1201, as repealed by PL 2007, c. 240, Pt. XXXX, §6, is reenacted to read:

§1201. Criteria for establishing a school administrative district

The following criteria shall apply to establishing a school administrative district.

1. Number of municipalities. The district shall have 2 or more member municipalities.

2. Number of students. The district shall have, as recorded in the last return under section 6004:

A. Three hundred or more resident public secondary school students;

B. One hundred or more resident public secondary school students, if the state board determines the formation of a larger district is educationally, economically or geographically not feasible;

H. of S.

SENATE AMENDMENT "E" to H.P. 1645, L.D. 2280

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C. Fifty or more resident public secondary school students if:

(1) The proposed district has on file with the state board a duly authorized and executed 2-year to 10-year contract offer from a municipality having 100 or more resident public secondary school students; and

(2) If the combined number of resident public secondary school students in these 2 school administrative units exceeds 300; and

D. Any number of secondary school students, if the new district is composed in whole or in part of a community school district:

(1) Offering a program of education for grades 9 through 12; and

(2) Formed on or before, and operating on April 1, 1957.

Sec. A-3. 20-A MRSA §1202, as repealed by PL 2007, c. 240, Pt. XXXX, §7, is reenacted to read:

§1202. Formation of district

The residents of 2 or more municipalities may form a school administrative district which shall be a body politic and corporate by completing the following steps.

1. Application vote. At a duly called special or regular meeting or city election the voters of a municipality may instruct its school board to file an application with the state board. The article to be inserted in the warrant for the meeting shall be in the following form:

"To see if the municipality will vote to instruct its school board to file an application with the State Board of Education for the purpose of forming a school administrative district with the following towns:
..... (naming them)"

2. Initial application. If the article is approved, the school board shall file an initial application with the state board.

A. The application shall include a list of the names of the municipalities that propose to form the school administrative district, an adequate study outlining the desirability and the educational feasibility of the proposed district and whatever other information the state board may deem necessary and proper.

B. In municipalities which have less than 300, but more than 99 resident pupils, the application shall state in detail the educational, economic and geographic reasons for the formation of the proposed school administrative district.

C. An application shall be filed on a form prepared by the state board.

3. Calling of a joint meeting. If the state board finds the proposed school administrative district eligible and approves its initial application, the state board shall notify the municipal officers and the members of the school boards in the municipalities within the proposed district of a date, time and place of a joint meeting of the municipal officers and the school board members from each municipality.

H. of S.

SENATE AMENDMENT "E" to H.P. 1645, L.D. 2280

- 1 A. The notice shall be in writing and sent by registered or certified mail, return
2 receipt requested, to the addresses as shown on the application.
- 3 B. The notice shall be mailed at least 10 days prior to the date set for the meeting.
- 4 **4. Joint meeting.** The following shall govern the joint meeting.
- 5 A. At least 1/2 of the total number of municipal officers and school committee
6 members eligible to vote at the joint meeting shall be present to constitute a quorum.
7 If there is no quorum, those present shall report to the state board that a quorum was
8 not present and request the state board to issue a new notice.
- 9 B. The school boards and municipal officers of each municipality shall each caucus
10 and select 3 of their members to represent their municipality in the joint meeting.
11 Other members may not vote in the joint meeting.
- 12 C. Those with voting rights shall, by majority vote:
- 13 (1) Elect a chairman and a secretary;
- 14 (2) Determine the total number of school directors to represent each municipality
15 and the method of apportioning voting power among directors consistent with
16 this section and sections 1251 and 1252;
- 17 (3) Determine the method of sharing costs under section 1301; and
- 18 (4) Determine the date when all the municipalities in the proposed district shall
19 vote on the articles of district formation. The date shall be at least 60 days from
20 the date on which it is determined.
- 21 D. The chairman and secretary shall prepare a report describing the number of
22 directors and the representation from each municipality. They shall sign and forward
23 that report to the state board.
- 24 **5. Calling municipal elections.** If the state board finds the report of the joint
25 meeting to be in order, the state board shall order the municipal officers of the
26 municipalities involved to call town meetings or city elections on the date established
27 pursuant to subsection 4, paragraph C, subparagraph (4) for the purpose of voting on the
28 questions required by this subchapter relating to the formation of a school administrative
29 district.
- 30 A. Municipalities voting on the questions of district formation under Title 30-A,
31 sections 2528 to 2531-A shall open the polls at 10 a.m. and shall close the polls at 7
32 p.m.
- 33 B. In other municipalities the municipal officers shall direct that the town meeting or
34 city election shall open at 7:30 p.m.
- 35 C. All school administrative units shall vote upon the questions of school district
36 information in the same fashion as the units conduct other business at regular or
37 special town meetings, except that school administrative units electing municipal
38 officers by secret ballot may use that method for electing school board directors.
- 39 **6. Articles to be voted on.** The articles to be voted on shall be in the following
40 form.

A. 4. 8.

SENATE AMENDMENT "E" to H.P. 1645, L.D. 2280

1 A. "Article ..: To see if the municipality will vote to join with the municipalities of
2 (naming them) to form a school administrative district."

3 B. "Article ..: To see if the municipality will vote to approve the allocation of
4 representation within the district on the Board of School Directors as recommended
5 by the school committees and municipal officers as follows: The total number of
6 directors shall be (number)"

7 C. "Article ..: To choose (number) school director(s) to represent the
8 municipality (or subdistrict) on the board of school directors of the school
9 administrative district."

10 D. If the state board has authorized an alternative method of sharing costs, the
11 municipality shall vote on the following article.

12 Article ..: To see if the costs of operating "School Administrative District
13 (number)" shall be shared among the towns of
14 (naming them) in accordance with (per pupil, state valuation, a
15 combination thereof or any other formula authorized by the Legislature).

16 E. If coterminous school districts exist or there is outstanding indebtedness for
17 school construction or other school property in any of the municipalities concerned,
18 the following additional article must also be acted on.

19 "Article ..: To see if the municipality will vote to authorize the district to
20 assume full responsibility for amortizing the following listed
21 indebtedness now outstanding in the school administrative units planning
22 to form the school administrative district."

23 (The list must include the name of the obligated school administrative
24 unit, type of obligation, amount unpaid, interest rate and the payment
25 schedule for all outstanding school indebtedness of all the school
26 administrative units comprising the school administrative district under
27 consideration.)

28 F. If a school administrative district is to be formed under this section, or if the
29 proposed school administrative district plans to contract with a designated private
30 school for the education of its students in grades 9 through 12, voters shall act on the
31 following article.

32 "Article ..: To see if the municipality will vote to join with the
33 municipalities of (naming them) to form a school
34 administrative district, which district is hereby authorized and directed to
35 accept the contract offer of for the schooling of pupils
36 in grades 9 through 12."

37 7. Majority vote. Approval of each article shall be by a majority vote of those
38 voting in each municipality on each article.

39 8. Special provision for community school districts. A community school district
40 may be changed to a school administrative district if each municipality within the district
41 acts affirmatively on the following articles.

SENATE AMENDMENT

H. of S.

1 A. Existing community school districts may become school administrative districts
2 on approval of the state board and may suspend operation as a community school
3 district if each of the participating municipalities acts affirmatively on an article
4 similar in form to the following, prior to accepting the other articles required in this
5 section.

6 "Article ..: To see if the municipality will vote to authorize the
7 (name) Community School District, of which this municipality is a part,
8 to suspend operation as a community school district and organize and
9 operate as a school administrative district in accordance with action on
10 the following article."

11 B. Municipalities, including all of those participating in an existing community
12 school district, may form a school administrative district on approval of the state
13 board and suspend the operation of the community school district if each of the
14 participating municipalities acts affirmatively on an article similar in form to the
15 following, and acts affirmatively on each of the other articles required in this section.

16 "Article ..: To see if the municipality will vote to authorize the
17 suspension of the (name) Community School
18 District in order to organize and operate as a part of a larger school
19 administrative district."

20 C. In approving one of these articles, all acts of a community school district in
21 contracting their indebtedness shall be ratified and confirmed.

22 D. The board of directors of the school administrative district shall pay to the
23 trustees of the former community school district within their jurisdiction sufficient
24 funds each year to amortize all outstanding capital indebtedness existing at the time
25 the community school district was suspended.

26 **Sec. A-4. 20-A MRSA §1203**, as repealed by PL 2007, c. 240, Pt. XXXX, §8, is
27 reenacted to read:

28 **§1203. Issuance of a certificate of organization**

29 Certificates of organization shall be issued as follows.

30 1. Report of vote. The clerks of the municipalities which have voted on the
31 questions regarding the formation of the school administrative district shall report to the
32 state board the results of the vote in a manner determined by the state board.

33 2. Finding recorded. If the state board finds that a majority of voters in each school
34 administrative unit forming the school administrative district have voted in favor of each
35 of the articles of formation, elected the necessary school directors and taken all other
36 necessary steps in the formation of the proposed school administrative district in
37 conformity with law, the state board shall make and record its finding that the school
38 administrative district is in compliance.

39 3. School administrative district number assigned. The state board, having made
40 its finding, shall assign a number to each school administrative district in the order of
41 their formation. The official title of the school administrative district shall be "School
42 Administrative District No....."

H. of S.

SENATE AMENDMENT "E" to H.P. 1645, L.D. 2280

1 4. Certificate of organization. The state board shall, immediately after making its
2 finding, issue a certificate of organization.

3 5. Certificate issued, filed and recorded. The original certificate shall be delivered
4 to the school directors on the day that they organize and a copy, attested by the secretary
5 of the state board, shall be filed and recorded in the office of the Secretary of State.

6 6. Issuance of certificate evidence of organization. The issuance of the certificate
7 shall be conclusive evidence of the lawful organization of the school administrative
8 district.

9 **Sec. A-5. 20-A MRSA §1204**, as repealed by PL 2007, c. 240, Pt. XXXX, §9, is
10 reenacted to read:

11 **§1204. Transfer of property and assets**

12 The transfer of school property and assets shall be as follows.

13 1. Board of directors. The directors of a school administrative district shall
14 determine what school property of the municipalities and former school administrative
15 units in their district are necessary to carry out the functions of their district and:

16 A. Request in writing that the school board of each school administrative unit or the
17 municipal officers transfer title of their school property and buildings to the school
18 administrative district; or

19 B. Assume all the duties and liabilities under lease agreements with the Maine
20 School Building Authority if the title is held by the authority.

21 2. Transfer. The school board or municipal officers shall make the transfer
22 notwithstanding any other provision in the charter of the school administrative unit or
23 municipality or other provision of law.

24 3. Maine School Building Authority. The Maine School Building Authority, on
25 the completion of all rental payments and other conditions in the lease, shall transfer the
26 title to the school administrative district notwithstanding any provision in the lease or
27 other provision of the law.

28 4. Financing assumed debts. If a school administrative district has assumed the
29 outstanding indebtedness of a former school administrative unit:

30 A. The directors of the school administrative district may, notwithstanding any other
31 statute or any provision of any trust agreement, use any sinking fund or other money
32 set aside by the school administrative unit to pay off the indebtedness for which the
33 money was dedicated;

34 B. The municipality within a school administrative district may, by vote of its voters,
35 raise, appropriate and transfer money to the school administrative district solely for
36 school construction purposes; and

37 C. A municipality, within a proposed school administrative district that has applied
38 to the state board, may, by vote of its voters, raise and appropriate money for school
39 construction purposes to be transferred to the proposed school administrative district,

SENATE AMENDMENT

H. of S.

1 if and when the district takes over the operation of the public school within its
2 jurisdiction.

3 The municipality may only withdraw this appropriation:

4 (1) If the formation of the district fails to be approved by the municipalities
5 within the district or by the state board; or

6 (2) If 9 months or more after the original vote, the electorate of the town vote to
7 withdraw the appropriation.

8 **Sec. A-6. 20-A MRSA §1205**, as repealed by PL 2007, c. 240, Pt. XXXX, §10, is
9 reenacted to read:

10 **§1205. Operational date and transfer of authority**

11 The operational date and transfer of authority of a school administrative district shall
12 be as follows.

13 **1. Operational date.** A school administrative district shall become operative on the
14 date set by the state board as provided in section 1253.

15 **2. Transfer of governing authority.** The school directors shall, on the date
16 established in subsection 1, assume responsibility for the management and control of the
17 public schools within the former school administrative units within the district and these
18 former school administrative units on that date have no further responsibility for the
19 operation or control of the public schools within the district.

20 **3. Transfer of school accounts.** Notwithstanding section 15004 or any charter of a
21 community school district or coterminous district, the balance remaining in the school
22 accounts of the municipalities, community school district or coterminous school districts
23 within the school administrative district shall be paid to the treasurer of the district in
24 equal monthly installments over the remainder of the fiscal year in which the district is
25 formed.

26 **4. Teacher contracts.** The contracts between the municipalities within the district
27 and all teachers shall automatically be assigned to the school administrative district as of
28 the date the district becomes operative. The district shall assign teachers to their duties
29 and make payments upon their contracts.

30 **5. Superintendent contracts.** The contracts between the superintendents and
31 municipalities within the district shall be transferred to the school administrative district.
32 The board of directors shall determine the superintendents' duties within the district and
33 pay that proportion of the salaries paid for by the former school administrative units in
34 the district.

35 **Sec. A-7. 20-A MRSA c. 103, sub-c. 6**, as repealed by PL 2007, c. 240, Pt.
36 XXXX, §12, is reenacted to read:

37 **SUBCHAPTER 6**

H. of S.

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REORGANIZATIONS

§1401. Additions

A municipality not originally in a school administrative district may be included as follows.

1. Application. The board of directors of the municipality wishing to join with an existing school administrative district may file an application with the commissioner on a form to be provided by him.

A. The commissioner shall study the need for the municipality to join the school administrative district and recommend an agreement by which the municipality may become a member.

B. The agreement may contain a new method of sharing costs among the member municipalities of the district in accordance with section 1301. The article set out in section 1202, subsection 6, paragraph D, authorizing units to vote on alternate methods of sharing costs shall be used if the agreement recommended by the commissioner contains a provision for using one of the alternate methods of sharing costs.

C. This agreement shall be forwarded to the secretary of the school administrative district and to the clerk of the municipality desiring to join the district.

2. First meeting. Within 45 days after receipt of the agreement by the municipal clerk, a regular or special town meeting or city election in the joining municipality, shall vote on the agreement. The vote shall conform to the following procedure.

A. The article voted on shall be:

"Article ...: Shall the municipality vote to join School Administrative District No..... as a participating municipality of the district subject to the terms and conditions of the agreement prepared by the commissioner dated 19..?"

Yes ... No ..."

(A copy of the agreement shall be posted with each warrant.)

B. The election of the directors and the vote on the agreement shall be conducted on the same day. This election shall follow the procedures used for the election of municipal officials by the municipality.

C. The vote on the agreement shall be called using the same methods as the municipality uses in conducting its business at regular or special town meetings or city elections.

D. If the municipality is organized under a special legislative charter, it shall call a referendum following the procedures outlined in its charter.

E. The municipal clerk shall send a certified copy of the results of the vote to the secretary of the school administrative district.

3. Second meeting. If the board of directors finds that the vote was in the affirmative, the board shall call a district referendum within 45 days in accordance with sections 1351 to 1354 to vote on the following article.

H. of S.

1 Article ..: Shall the district vote to admit the municipality of(name
2 the municipality) into School Administrative District No..... as a participating
3 municipality of the district subject to the terms and conditions of the agreement
4 prepared by the commissioner dated 19.....?

5 Yes .. No .."

6 (A copy of the agreement shall be posted with each warrant.)

7 A. The municipal clerks within the district shall forward to the commissioner a
8 certified report of the total number of affirmative and negative votes cast on the
9 article.

10 B. On receipt of the results of the voting from all municipalities, the commissioner
11 shall compute and record the result of the voting.

12 **4. Commissioner finding.** If the commissioner finds that a majority of the voters of
13 the district and a majority of the voters of the municipality favor admission of the
14 municipality into the district, he shall make a finding to that effect.

15 A. The commissioner shall notify by registered mail the clerk of the municipality
16 seeking to join the school administrative district and the secretary of the school
17 administrative district of the results of the vote.

18 B. If the commissioner's finding is that a majority is for joining, he shall issue an
19 amended certificate for the school administrative district, which shall be filed in the
20 same manner as the original certificate.

21 **5. Certificate.** The issuance of an amended certificate shall be conclusive evidence
22 of the admission of that municipality to the school administrative district.

23 **§1402. Combining of districts**

24 If one school administrative district wishes to join with another school administrative
25 district, the following procedure shall be used.

26 **1. Application.** Each district's board of directors shall file an application with the
27 commissioner on a form to be prepared by him.

28 A. The commissioner shall receive the applications, make a study of the necessity for
29 combining the districts and recommend an agreement by which the districts may
30 combine.

31 B. This agreement shall be forwarded to the secretary of each school administrative
32 district.

33 **2. Meeting.** Within 45 days after receipt of the agreement each district's board of
34 directors shall call a district meeting in accordance with sections 1351 to 1354 to vote on
35 the following article.

36 "Article .. To see if School Administrative District No.... will vote to join School
37 Administrative District No.... in a merger to form a larger district subject to the terms
38 and conditions of the agreement prepared by the commissioner dated 19.....

39 Yes .. No .."

40 (A copy of the agreement shall be posted with each warrant.)

H. of S.

1 3. Return. The secretary of each school administrative district shall file a return
2 with the commissioner immediately following the votes in the district on the question of
3 merger.

4 4. Commissioner's finding. If the commissioner finds that a majority of the voters
5 in each district have voted in favor of the merger, he shall make a finding to the effect.

6 5. Notice. The commissioner shall notify by registered mail the secretary of each
7 district of the results of the vote.

8 6. Certificate. If the commissioner's finding is that a majority is for merging, he
9 shall issue a new certificate for the enlarged school administrative district and assign a
10 number. The certificate shall be filed in the same manner as the original certificate.

11 7. Evidence. The issuance of the certificate by the commissioner shall be conclusive
12 evidence of the merger of the school administrative districts.

13 §1403. Dissolution of a district

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

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

22 B. The petition must be approved by secret ballot by a 2/3 vote of the voters present
23 and voting before it may be presented to the board of directors and the commissioner.
24 Voting in towns shall be conducted in accordance with Title 30-A, sections 2528 and
25 2529, even if the towns have not accepted the provisions of Title 30-A, section 2528,
26 and voting in cities shall be conducted in accordance with Title 21-A.

27 2. Form. The question to be voted upon shall be in substantially the following form:
28 "Article ..: Be it resolved by the residents of the Town of that a petition for
29 dissolution be filed with the directors of School Administrative District No. and
30 with the commissioner, that the dissolution committee be authorized to expend
31 \$..... and that the (municipal officers; i.e. selectmen, town council, etc.) be
32 authorized to issue notes in the name of the Town of or otherwise pledge the
33 credit of the Town of in an amount not to exceed \$..... for this purpose?"

34 Yes No"

35 3. Notice of vote; finding by commissioner. If residents of a participating
36 municipality vote favorably on a petition for dissolution, the clerk shall immediately give
37 written notices, by registered mail, to the secretary of the school administrative district
38 and the commissioner which shall include:

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

H. of S.

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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 district.

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

A. The commissioner, after consultation with the district board of directors, municipal officers of the participating municipalities, and representatives of the group which 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 will be filled by the municipal officers and board of directors. The chairman 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 chairman of the board shall open the meeting by presiding over the election of a chairman of the committee. The responsibility for the preparation of the agreement shall rest 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 shall 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 shall contain provisions to provide educational services for all students in the district. The agreement shall provide that during the first year following the dissolution, students may attend the school they would have attended if the district had not dissolved. The allowable tuition rate for students sent from one municipality to another in the former school administrative district shall be determined under section 5805, subsection 1, except that it shall not be subject to the state per pupil average limitation in section 5805, subsection 2.

(2) The agreement shall establish the dissolution to take effect at the end of the district's fiscal year.

(3) The agreement shall establish that the dissolution will not cause a need within 5 years from the effective date of dissolution for school construction projects which would be eligible for state funds. This limitation does not apply where a need for school construction existed prior to the effective date of the dissolution or where a need for school construction would have arisen even if the district had not dissolved.

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

H. of S.

SENATE AMENDMENT "E" to H.P. 1645, L.D. 2280

1 (5) The agreement shall provide for administration of the new administrative
2 units, which should not include the creation of new supervisory units if at all
3 possible.

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

7 (7) The agreement shall make appropriate provision for the distribution of any
8 outstanding financial commitments to the superintendent of the school
9 administrative district.

10 (8) The agreement shall provide for the continuation and assignment of
11 collective bargaining agreements as they apply to the new or reorganized school
12 administrative unit for the duration of those agreements and shall provide for the
13 continuation of representational rights.

14 (9) The agreement shall provide for the continuation of continuing contract
15 rights under section 13201, subsection 2.

16 (10) The agreement shall provide for the disposition of all real and personal
17 property and other monetary assets.

18 (11) The agreement shall provide for the transition of administration and
19 governance of the schools to properly elected governing bodies of the newly
20 created administrative units and shall provide that the governing bodies shall not
21 be elected simultaneously with the vote on the article to dissolve unless the
22 commissioner finds there are extenuating circumstances which necessitate
23 simultaneous elections.

24 B. Within 60 days of the receipt of the agreement, the commissioner shall either give
25 it conditional approval or recommend changes. The changes shall be based upon the
26 standards set forth in paragraph A and the commissioner's findings of whether the
27 contents of the plan will provide for appropriate educational and related services to
28 the students of the district and for the orderly transition of assets, governance, and
29 other matters related to the district.

30 C. If the commissioner gives conditional approval of the agreement, he shall notify
31 the directors and the municipal officers by registered mail of the time and place of a
32 public hearing at least 20 days prior to the date set for the hearing, to discuss the
33 merits of the proposed agreement of dissolution. The chairman of the board of
34 directors will conduct the hearing.

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

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

39 D. If the commissioner recommends changes he shall:

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

SENATE AMENDMENT

1 B. A district vote on a dissolution agreement if the agreement received less than 45%
2 of the votes cast.

3 10. Costs of dissolution agreements. If the school administrative district votes to
4 permit dissolution, then the district shall reimburse the petitioning municipality for the
5 authorized expenses incurred by the dissolution committee. If the district votes not to
6 permit dissolution, then the district will not be required to reimburse the petitioning
7 municipality for those expenses.

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

12 12. Determination of results; notification of commissioner; execution of
13 agreement. Determination of results shall comply with the following.

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

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

19 C. If the commissioner finds that a majority of the voters voting on the article have
20 voted in the affirmative, he shall notify the directors of the district to take steps to
21 dissolve the district in accordance with the terms of the agreement for dissolution.

22 13. Recount; checklists and ballots; disputed ballots. The following provisions
23 apply to recounts, checklists, ballots and disputed ballots.

24 A. If, within 7 days of the computation and recording of the results of the voting
25 from all municipalities, the municipal officers of any participating municipality
26 request to the commissioner in writing a recount of the votes in the district, the
27 commissioner shall immediately cause the checklists and all the ballots cast in all of
28 the participating municipalities to be collected and kept at the commissioner's office
29 so they may be recounted by interested municipalities.

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

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

34 14. Execution of agreement; certified record; certificate of withdrawal. When
35 the agreement for dissolution has been put in effect by the directors of the school
36 administrative district, the directors shall notify the commissioner by certified mail that
37 the agreement of dissolution has been executed.

38 A. A complete certified record of the transaction involved in the dissolution shall be
39 filed with the commissioner.

H. of S.

1 B. The commissioner shall immediately issue a certificate of dissolution to be sent
2 by certified mail for filing with the directors of the school administrative district and
3 shall file a copy in the office of the Secretary of State.

4 **15. Indebtedness; indebtedness defined; indebtedness after dissolution.** The
5 following provisions apply to outstanding indebtedness.

6 A. Whenever a district having outstanding indebtedness dissolves, the district shall
7 remain intact for the purpose of securing and retiring the indebtedness; the
8 dissolution agreement may provide for alternate means for retiring outstanding
9 indebtedness.

10 B. "Outstanding indebtedness" means bonds or notes for school construction projects
11 issued by the board of directors pursuant to the authorization established under
12 chapter 609 or Title 20, sections 3457 to 3460 or obligations to the Maine School
13 Building Authority pursuant to any contract, lease or agreement made by the board of
14 directors pursuant to approval thereof in a district meeting of the school
15 administrative district, but does not include any indebtedness of any municipality
16 assumed by the school administrative district at the time of formation nor any
17 contract, lease or agreement of the Maine School Building Authority to which by
18 operation of law the school administrative district has become the assignee.

19 **16. General purpose aid.** When a school administrative district dissolves, the
20 general purpose aid for the individual municipalities must be computed in accordance
21 with chapter 606-B.

22 **17. Committee recall.** If the commissioner determines that the dissolution
23 committee has failed to comply with the requirements of this section, he may authorize
24 the municipal officers and the district's board of directors to recall their representatives
25 and to appoint new representatives to the committee.

26 **§1404. Reorganization of a school administrative district as a community school**
27 **district**

28 **1. Petition for reorganization.** The residents of a municipality within a school
29 administrative district may petition for dissolution of the school administrative district
30 and reorganization as a community school district, which will operate grades 9 to 12 and
31 any combination of kindergarten through grade 8 in accordance with chapter 105, in the
32 manner authorized by section 1403 for dissolution of a district. The articles to be voted
33 upon shall clearly set forth that a community school district will be formed upon the
34 dissolution of the school administrative district.

35 **2. Vote required.** If the commissioner is petitioned pursuant to the authority of
36 subsection 1, the board of directors of the school administrative district shall require the
37 member municipalities of the district to vote on an article which shall be substantially as
38 follows.

39 "Article : Shall School Administrative District No. be dissolved subject to
40 the terms and conditions of the dissolution agreement dated 19, and the
41 towns of form a community school district which shall be responsible for
42 the operation of grades?

43 Yes No"

H. 8.

1 **3. Governing body of community school district.** A school administrative district
2 which dissolves and simultaneously forms a new community school district pursuant to
3 this section shall have a single governing body which shall consist of a school committee
4 performing all of the duties of the school committee and the board of trustees set forth in
5 chapter 105.

6 **4. Commissioner.** The commissioner shall carry out his duties under sections 1403
7 and 1602 regarding the dissolution of a school administrative district and the creation of a
8 new community school district, except that the municipal officers and the board of
9 directors shall be responsible for developing a plan to provide for the continuity of the
10 educational program for each municipality to be included within the dissolution
11 agreement.

12 **5. Outstanding indebtedness of the school administrative district and liability of**
13 **the community school district.** If a school administrative district is dissolved and a
14 community school district is formed, the community school district shall become liable
15 for the school administrative district's outstanding indebtedness as defined in section
16 1403, except as otherwise provided for in subsection 6.

17 **6. Outstanding indebtedness of school administrative district; liability of**
18 **individual municipalities.** If the school administrative district is dissolved and the
19 ensuing community school district does not include all grades kindergarten through 12,
20 each member municipality shall be individually liable for any outstanding indebtedness
21 which the school administrative district had relative to the grades which will be operated
22 exclusively by that municipality or as otherwise provided for in the dissolution
23 agreement.

24 **7. General purpose aid.** When a school administrative district dissolves and a new
25 community school district is formed, the general purpose aid for the community school
26 district and the individual municipalities shall be computed in accordance with chapter
27 605.

28 **§1405. Withdrawal of a single municipality from a school administrative district**

29 **1. Petition.** The residents of a participating municipality within a school
30 administrative district composed of 3 or more municipalities may petition to withdraw
31 from the district in the same manner as they would petition for the dissolution of a school
32 administrative district in accordance with section 1403, except that only a simple majority
33 vote of those casting valid ballots in the municipality is required before the petition may
34 be presented to the board of directors and to the commissioner.

35 **2. Procedure.** The steps set forth in section 1403 for dissolution apply to the
36 withdrawal of a member municipality from a school administrative district, except that:

37 **A.** The responsible committee for preparing the withdrawal agreement shall be
38 limited to individuals from the municipality;

39 **B.** Instead of a district election, a municipal election shall be conducted and a 2/3
40 vote of those casting valid ballots in the municipality is required before it may
41 withdraw;

H. of S.

SENATE AMENDMENT "E" to H.P. 1645, L.D. 2280

1 C. Wherever there is reference in section 1403 to the term "dissolution," or other
2 terms not consistent with withdrawal, the term "withdrawal" or other appropriate
3 language shall be substituted;

4 D. All public hearings required under section 1403 shall be conducted by the
5 municipal officers; and

6 E. A municipality may not petition for withdrawal within 2 years after the date of:

7 (1) A municipal vote on a petition for withdrawal if the petition received less
8 than 45% of the votes cast; or

9 (2) A municipal vote on a withdrawal agreement if the agreement received less
10 than 60% of the votes cast.

11 3. Cost of advisors. The expense of employing competent advisors by the
12 municipality petitioning to withdraw shall be borne by the municipality and the expense
13 of employing competent advisors by the district shall be borne by the district with the
14 municipality bearing its share according to the district's cost-sharing agreement.

15 4. Commissioner recommended dissolution. The commissioner's responsibilities
16 to initiate dissolution proceedings are as follows.

17 A. If a member town representing more than 50% of the total population in a district
18 votes to withdraw from the district, then the commissioner shall analyze the
19 educational impact of the town's withdrawal upon the district. The district's board of
20 directors and the municipal officers from the remaining towns shall be consulted.

21 B. If the commissioner finds that it is impractical for the remaining towns to
22 continue as a district, then he shall initiate the dissolution process set out in section
23 1403 by having the district submit the following article to the voters at a district
24 meeting called in accordance with sections 1351 to 1354.

25 "Article: Be it resolved by the voters of School Administrative District No.
26 that a dissolution committee be appointed and authorized to expend \$.....,
27 and the directors of School Administrative District No. be authorized to issue
28 notes or otherwise pledge the credit of School Administrative District No. in an
29 amount not to exceed \$..... for this purpose?

30 Yes No"

31 C. If the voters approve the article by a majority vote of those voting and present,
32 then the rest of the dissolution process set forth in section 1403 shall apply except:

33 (1) A 2nd member from the general public shall be selected by the municipal
34 officers to fill the position on the dissolution committee normally held by a
35 representative of the group which would have filed the dissolution petition; and

36 (2) Costs of preparing a dissolution agreement shall be borne solely by the
37 district.

38 5. Transfer of property. The district's board of directors may negotiate with the
39 withdrawal committee regarding an equitable division of the district's property between
40 the district and the municipality represented by the committee and transfer title of the
41 property to the municipality following withdrawal. The board of directors shall

SENATE AMENDMENT

H. of S.

1 determine that the district's educational program shall not be disrupted solely because of
2 the transfer of any given property before it may complete the transfer.

3 **§1406. Transfer of a municipality from one school administrative district to another**

4 **1. Petition to commissioner.** The board of directors of 2 school administrative
5 districts may petition the commissioner by joint resolution to permit a municipality to
6 transfer from one school administrative district to another, provided that that municipality
7 is being transferred to a district contiguous to the municipality.

8 **2. Transfer agreement.** The boards of directors of the 2 districts and the municipal
9 officers of the municipality involved shall form a committee to prepare a transfer
10 agreement within 60 days after being notified by the commissioner to prepare the
11 agreement. Extensions of time may be granted by the commissioner.

12 A. The committee shall consider the standards set forth in section 1403, subsection 4,
13 paragraph A in preparing the agreement.

14 B. The approval process for the agreement shall follow the steps set forth in section
15 1403, subsection 4 to subsection 16.

16 C. The following question shall appear on the ballot when the transfer of a
17 municipality is considered.

18 "Article: Shall School Administrative District No. vote to permit the
19 municipality of to transfer into School Administrative District No.
20 as a participating municipality of that district subject to the terms and conditions of
21 the agreement of transfer approved by the commissioner dated 19?

22 Yes No"

23 (A copy of the agreement shall be posted with each warrant which directs the citizens
24 to vote upon the question.)

25 D. The article must be approved by a majority of votes cast in both districts and by a
26 majority of votes cast in the municipality to be transferred before the agreement may
27 take effect.

28 E. A complete certified record of the transaction involved in the transfer shall be
29 filed with the commissioner. He shall issue immediately a certificate of transfer to
30 the secretary of each school administrative district by registered mail to be filed with
31 the directors of the districts involved and shall file a copy of the certificate of transfer
32 in the office of the Secretary of State.

33 **3. Outstanding indebtedness.** Whenever a municipality, or a part of a municipality,
34 is detached from a district having outstanding indebtedness, the municipality or part of a
35 municipality shall remain as part of the district from which it was detached for the
36 purposes of paying its proper portion of such indebtedness until the indebtedness shall be
37 redeemed. The municipality or part of a municipality shall not be part of the district from
38 which it was detached for the purpose of any outstanding indebtedness incurred
39 subsequent to the date of the certificate of transfer.

H. of S.

1 **§1407. Closing an elementary school**

2 **1. Vote; cost of election.** An elementary school in a member municipality of a
3 school administrative district may not be closed pursuant to section 4102, subsection 3
4 unless the voters in the member town vote on the following article in accordance with the
5 procedure set forth in sections 1351 to 1354.

6 "Article: Shall the board of directors of School Administrative District No.
7 be authorized to close (name of school)?

8 Yes No"

9 (The election must be conducted only within that member municipality, and the costs
10 of the election are borne by the district.)

11 **2. Expense of keeping the school open.** If the voters vote to keep the school open,
12 the member municipality is liable for some additional expense for actual local operating
13 costs and transportation operating costs as defined in section 15672. The determination
14 of costs is subject to the approval of the commissioner. The cost to be borne by the town
15 voting to keep an elementary school open is the amount that would be saved if the school
16 were closed. Any additional costs that must be borne by the member municipality must
17 be part of the article presented to the voters at the meeting to determine whether the
18 school should remain open.

19 **3. Costs and procedures during subsequent years.** During any year subsequent to
20 the year during which an elementary school remains open contrary to the school
21 administrative district board of director's vote to close that elementary school, as a result
22 of a municipal referendum, the elementary school will be open without any additional
23 cost to the municipality except as described in paragraphs A and B.

24 **A.** If the school administrative district board of directors again vote to close the
25 elementary school and the voters of the member municipality again vote to keep the
26 elementary school open, as described in this paragraph, then the elementary school
27 will remain open and the member municipality will be obligated to pay the additional
28 costs as described in subsection 2.

29 **B.** If the school administrative district board of directors again votes to close the
30 elementary school and the voters of the member municipality fail to vote to keep the
31 elementary school open, then the elementary school is closed. In this event, the
32 elementary school may be reopened only if the school administrative district board of
33 directors vote to reopen the school.

34 **4. Definition of elementary school closing.** In this section, an elementary school
35 closing shall be any action or actions by the school administrative district that have the
36 effect of providing no instruction for any students at that elementary school.

37 **5. Method of payment by liable municipality.** If a municipality is liable for
38 additional expenses as determined in subsection 1, paragraph B, then the amount of this
39 additional expense shall be subtracted from the school administrative district budget
40 before each member municipality's assessment is computed. This additional expense
41 shall be paid by the member municipality which is liable in equal monthly amounts,
42 unless the school administrative district and that member municipality mutually agree to
43 another method of payment.

H. & S.

1 **§1408. State board review of commissioner's decisions**

2 A school administrative unit or other interested parties may request that the state
3 board reconsider decisions made by the commissioner under this subchapter. The state
4 board may have the authority to overturn decisions made by the commissioner. In
5 exercising this power, the state board is limited by this subchapter.

6 **§1409. Rules**

7 The state board may adopt rules to carry out this subchapter.

8 **Sec. A-8. 20-A MRSA §1461, sub-§1**, as enacted by PL 2007, c. 240, Pt.
9 XXXX, §13, is amended to read:

10 **1. Notice of intent.** Each school administrative unit that intends to form a regional
11 school unit shall file with the commissioner a notice of intent to engage in planning and
12 negotiations with other school administrative units for the purpose of developing a
13 reorganization plan to form a regional school unit under this chapter. The commissioner
14 shall respond to each notice of intent providing information regarding the process and
15 whether the intended action complies with the requirements of this chapter.

16 **Sec. A-9. 20-A MRSA §1461, sub-§3**, as enacted by PL 2007, c. 240, Pt.
17 XXXX, §13, is amended to read:

18 **3. Submission of plans.** Each school administrative unit that intends to form a
19 regional school unit shall submit to the commissioner its proposed reorganization plan for
20 consolidation into a regional school unit that meets the requirements of paragraphs A and
21 B.

22 A. A reorganization plan must include:

- 23 (1) The units of school administration to be included in the proposed reorganized
24 regional school unit;
- 25 (2) The size, composition and apportionment of the governing body;
- 26 (3) The method of voting of the governing body;
- 27 (4) The composition, powers and duties of any local school committees to be
28 created;
- 29 (5) The disposition of real and personal school property;
- 30 (6) The disposition of existing school indebtedness and lease-purchase
31 obligations if the parties elect not to use the provisions of section 1506 regarding
32 the disposition of debt obligations;
- 33 (7) The assignment of school personnel contracts, school collective bargaining
34 agreements and other school contractual obligations;
- 35 (8) The disposition of existing school funds and existing financial obligations,
36 including undesignated fund balances, trust funds, reserve funds and other funds
37 appropriated for school purposes;

1 (9) A transition plan that addresses the development of a budget for the first
2 school year of the reorganized unit and interim personnel policies;

3 (10) Documentation of the public meeting or public meetings held to prepare or
4 review the reorganization plan;

5 (11) An explanation of how units that approve the reorganization plan will
6 proceed if one or more of the proposed members of the regional school unit fail
7 to approve the plan;

8 (12) An estimate of the cost savings to be achieved by the formation of a
9 regional school unit and how these savings will be achieved; and

10 (13) Such other matters as the governing bodies of the school administrative
11 units in existence on the effective date of this chapter may determine to be
12 necessary.

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

15 (1) The proposed regional school unit must serve not fewer than 2,500 students,
16 except where circumstances relating to the following factors justify an exception:

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

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

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

23 (d) Transportation;

24 (e) Population density; or

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

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

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

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

H. of S.

SENATE AMENDMENT "E" to H.P. 1645, L.D. 2280

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

4 **Sec. A-10. 20-A MRSA §1461, sub-§5**, as enacted by PL 2007, c. 240, Pt.
5 XXXX, §13, is amended to read:

6 **5. Referendum on reorganization plan.** The municipal officers of each
7 municipality in a proposed reorganized school administrative unit shall place a warrant
8 article substantially as follows on the ballot of a municipal referendum conducted in
9 accordance with the referendum procedures applicable to the school administrative unit
10 of which the municipality is a member.

11 "Article: Do you favor approving the school administrative reorganization plan
12 prepared by the (insert name) Reorganization Planning Committee to reorganize
13 (insert names of affected school administrative units) into a regional school unit, with
14 an effective date of (insert date)?

15 Yes No"

16 ~~The following statement must accompany the article:~~

17 "Explanation:

18 ~~A "YES" vote means that you approve of the (municipality or school~~
19 ~~administrative unit) joining the proposed regional school unit. The financial~~
20 ~~penalties under the Maine Revised Statutes, Title 20-A, section 15696 to the~~
21 ~~existing school administrative units will no longer apply to the proposed regional~~
22 ~~school unit."~~

23 **Sec. A-11. 20-A MRSA §1461, sub-§6**, as enacted by PL 2007, c. 240, Pt.
24 XXXX, §13, is amended to read:

25 **6. Results of referendum.** Each school administrative unit that proceeds with a
26 referendum pursuant to subsection 5 shall report the results of the referendum to the
27 department following the referendum election.

28 A. A reorganization plan is approved by a kindergarten to grade 12 school
29 administrative district or kindergarten to grade 12 community school district if the
30 majority of votes cast in the district is in favor of approval of the plan.

31 B. A reorganization plan is approved by the member municipalities of a community
32 school district that does not provide public education for the entire span of
33 kindergarten to grade 12 if the majority of votes cast in the member municipalities is
34 in favor of approval of the plan. Approval results in all member municipalities
35 joining the regional school unit for all purposes for kindergarten to grade 12.

36 C. A municipal school unit, including a municipal school unit that is a member of a
37 school union, approves a reorganization plan if the majority of the votes cast in that
38 municipality is in favor of approval of the plan.

39 D. If a reorganization plan is approved by all of the affected school administrative
40 units, or by the school administrative units considered sufficient under the proposed
41 units' reorganization plan, the commissioner shall file notice of approval of the unit
42 with the state board.

SENATE AMENDMENT

H. of S.

1 **Sec. A-12. 20-A MRSA §1602**, as repealed by PL 2007, c. 240, Pt. XXXX, §14,
2 is reenacted to read:

3 **§1602. Formation**

4 A community school district may be formed by the residents of 2 or more
5 municipalities only if the voters of each of those municipalities have voted to create the
6 district.

7 **1. Municipal vote.** If the school board of each municipality's school administrative
8 unit votes to join with another municipality to form a community school district, then the
9 municipal officers of each municipality shall call a meeting of the voters of their
10 respective municipality in a manner provided by law for the calling of town meetings.
11 Those meetings shall vote to either favor or oppose articles in substantially the following
12 forms.

13 A. "Article ...: To see if the municipality of (name) will vote to join with
14 the municipalities of (naming them) to form a community school district to
15 be known as Community School District which shall be responsible for the
16 operation of grades (naming them)."

17 B. "Article ...: To see if the costs of operating Community School District
18 shall be shared among the municipalities of (naming them) in
19 accordance with (per student, state valuation, a combination thereof or any other
20 formula authorized by the Legislature)."

21 C. "Article ...: To see if the municipality of (name) will vote to have the
22 community school district's school committee perform the duties of the board of
23 trustees."

24 **2. State board declaration.** Each municipal clerk shall file a return of the votes cast
25 at the meeting with the state board. If the state board determines that a majority of those
26 voting in each of the municipalities favored the articles in subsection 1, paragraphs A and
27 B, then the state board shall so declare. With the declaration, the commissioner shall
28 issue to the community school district a certificate of organization which shall be
29 conclusive evidence of its lawful organization. The community school district shall bear
30 the name voted on.

31 **3. Petition to reorganize to rename.** The district school committee may petition
32 the state board to change the name of the community school district or to change the
33 number of grades which the community school district is responsible for operating.

34 A. The state board shall authorize the change if it finds the change to be in the best
35 interest of the community school district.

36 B. If the State Board of Education authorizes the change, then the governing body
37 of the community school district shall notify the municipal officers in each of the
38 member towns who shall call a meeting of the inhabitants of their respective towns in
39 the manner provided by law for calling of town meetings and those meetings shall
40 vote to favor or oppose articles in substantially the following forms.

1 (1) "Article ... : To see if the town will vote to authorize the
2 Community School District to change its name to Community
3 School District."

4 (2) "Article...: To see if the town will vote to authorize the
5 Community School District to be responsible for the operation of grades
6 "

7 C. The clerk in each of the member towns shall file a return of the votes cast in the
8 town meeting with the state board. If the state board finds that a majority of those
9 voting in each of the towns favor the articles, then the community school district shall
10 be reorganized accordingly.

11 4. Board to file return. Whenever the community school district is reorganized in
12 the manner authorized in subsection 3 or under section 1751, the board of trustees shall
13 file a return to that effect with the state board. A copy, certified by the commissioner, of
14 the return shall be conclusive evidence of the reorganization of the community school
15 district.

16 Sec. A-13. 20-A MRSA §1604, as repealed by PL 2007, c. 240, Pt. XXXX, §15,
17 is reenacted to read:

18 **§1604. Transition to new district**

19 **1. Transfer of contracts.** At the start of the school year after organization:

20 A. The contracts between the municipalities within the community school district
21 and all teachers shall automatically be assigned to the community school district and
22 the district shall be responsible for assigning teachers to their duties and making
23 payments on their contract; and

24 B. The contracts between the superintendents and municipalities within the
25 community school district shall automatically be assigned to the district.

26 (1) The superintendents' duties with regard to the community school district shall
27 be determined by the district school committee.

28 (2) The community school district shall thereafter pay the proportionate part of
29 the superintendents' salary that the municipalities were liable to pay.

30 **2. Transfer of assets.** Each municipality within the community school district, at
31 the same time, shall transfer to the district:

32 A. All school supplies and equipment purchased for and in use by the school grades
33 encompassed by the community school district formation; and

34 B. All real property, as requested by the district school committee, which was
35 formerly used for the school grades encompassed by the district formation. The
36 municipal officers shall execute quitclaim deeds for the transfer of real property
37 requested by the district school committee.

38 **3. Initial budget.** The district school committee shall be responsible for preparing
39 and submitting a budget to the voters, as authorized by section 1701, prior to the start of
40 the first year.

H. S.

1 4. Operational date. At the start of the school year after organization, the
2 community school district shall become operative and the district school committee shall
3 assume the sole management and control of the operation of all the public schools within
4 the community school district for the authorized grade levels. It shall also adopt bylaws
5 and an official seal.

6 **Sec. A-14. 20-A MRSA §1751**, as repealed by PL 2007, c. 240, Pt. XXXX, §17,
7 is reenacted to read:

8 **§1751. Additions to, dissolution of and withdrawal from a district**

9 **1. Additions.** The inhabitants of any territory within any town, not originally in the
10 district, may be included upon vote of all towns concerned in a manner similar to that
11 prescribed for establishing the community school district in section 1602 under such
12 terms and arrangements as may be recommended by the community school district's
13 school committee.

14 **2. Dissolution.** The residents of a participating municipality within a community
15 school district may petition and vote to dissolve the district in the same manner as a
16 participating municipality within a school administrative district may petition and vote to
17 dissolve a school administrative district in accordance with section 1403.

18 **3. Withdrawal.** The residents of a participating municipality within a community
19 school district may petition and vote to withdraw from the district in the same manner as
20 a participating municipality within a school administrative district may petition to
21 withdraw in accordance with section 1405.

22 **4. Transfer.** The school committees of 2 community school districts may permit the
23 transfer of a municipality from one community school district to another in the same
24 manner the boards of directors of 2 school administrative districts may permit a transfer
25 in accordance with section 1406.

26 **5. Closing elementary school.** If a community school district includes elementary
27 grades, the closing of an elementary school in a member municipality pursuant to section
28 4102, subsection 3 must follow the procedures established in section 1407 for closing an
29 elementary school in a member municipality in a school administrative district.

30 **6. Substitution of terms.** Whenever there is reference in sections 1403 and 1405 to
31 1407 to a school administrative district, for purposes of this section, the term "community
32 school district" shall be substituted. Other terms consistent with the intent of subsections
33 2 to 5, to allow municipalities to withdraw or transfer from or to dissolve the district or
34 keep a municipal elementary school open, may also be substituted as necessary.

35 **Sec. A-15. 20-A MRSA §1901**, as repealed by PL 2007, c. 240, Pt. XXXX, §18,
36 is reenacted to read:

37 **§1901. Formation**

38 **1. Commissioner's authority.** The commissioner shall adjust the grouping of
39 school administrative units within the State in accordance with this section.

40 **2. Size.** A school union shall include not less than 35 nor more than 75 teachers
41 unless the commissioner, upon request of a school board, finds that because of

H. & S.

SENATE AMENDMENT "E" to H.P. 1645, L.D. 2280

1 geographic location or other reasons, it is to the advantage of the State and the
2 municipalities that a school union shall include fewer than 35 or more than 75 teachers.

3 **3. Combining unions.** On presentation of a written plan of organization which has
4 been approved by the school boards involved, the commissioner may combine 2 or more
5 school unions, or their parts, into a larger school union.

6 A. The new school union shall be administered by a superintendent of schools and
7 staff assistants, who may be employed by the union committee as provided in section
8 1051.

9 B. The commissioner may adjust disbursements for supervision so that there will be
10 no loss in state support because of the reorganization.

11 **4. Exception for existing school unions with over 35 teachers.** Existing school
12 unions employing over 35 teachers shall not be regrouped unless the proposed regrouping
13 has been approved by a majority of the school board members in the school
14 administrative units involved.

15 **5. School administrative units with more than 75 teachers.** A school
16 administrative unit with more than 75 teachers may employ a superintendent of schools
17 without uniting with other school administrative units for this purpose.

18 A. The school administrative unit shall elect a superintendent in the same manner
19 and for the same term, fix the salary and discharge the superintendent under the same
20 conditions as superintendents employed under sections 1051 to 1054.

21 B. Annually and whenever a new superintendent is elected, the chairman and
22 secretary of the school board shall certify to the commissioner, on the prescribed
23 forms, all facts relative to the employment of the superintendent, including the
24 amount of the salary to be paid.

25 **6. Removal.** If a school administrative unit having more than 75 teachers removes
26 itself from an existing school union composed of not more than 2 units, the remaining
27 unit shall, with the consent of its school board and the commissioner, be treated as though
28 it had more than 75 teachers, provided that the remaining unit has more than 40 teachers.

29 **7. Exception for remote administrative units.** If the commissioner finds that a
30 school administrative unit is remotely situated and that it is not practicable to combine it
31 with other school administrative units for the purpose of employing a superintendent, the
32 commissioner may place at the service of the school board of that unit the general agent
33 for the schooling of the children in unorganized townships, or any other agent of the
34 commissioner.

35 A. That agent shall, when assigned, serve as the superintendent of the school
36 administrative unit. The agent shall have the same powers and shall perform the
37 same service as superintendents of schools of municipalities. The agent's visits to the
38 schools of the school administrative unit shall be at intervals as directed by the
39 commissioner.

40 B. The treasurer of the school administrative unit shall pay to the agent a sum agreed
41 upon by the agent and that school administrative unit. In case of dispute, the
42 commissioner shall determine the amount to be paid.

SENATE AMENDMENT

H. 918

1 **8. Exception for school administrative unit with fewer than 35 teachers.** If
2 because of geographic location or other circumstances, it is not practicable to combine a
3 school administrative unit or a school union employing less than 35 teachers with other
4 school administrative units to form a school union, the school board may provide
5 supervisory service, when approved by the commissioner. The school administrative unit
6 or school union may provide for supervisory services by:

7 A. Employing a qualified person to serve as superintendent and as a supervising
8 principal;

9 B. Contracting with another school administrative unit or school union for
10 supervisory services; or

11 C. Employing a qualified agent to fulfill supervisory needs.

12 **Sec. A-16. 20-A MRSA §2101, sub-§1,** as repealed by PL 2007, c. 240, Pt.
13 XXXX, §19, is reenacted to read:

14 **1. Establishment.** If a union school is desired, the municipalities shall apply to the
15 commissioner. The commissioner shall prepare an agreement setting out the terms and
16 conditions under which a union school may operate.

17 **Sec. A-17. 20-A MRSA §2101, sub-§2,** as repealed by PL 2007, c. 240, Pt.
18 XXXX, §20, is reenacted to read:

19 **2. Approval.** Before a union school may operate, each municipality shall approve
20 the agreement by an affirmative vote acting under an appropriate article at a regular or
21 special town meeting or city election.

22 **Sec. A-18. 20-A MRSA §15671-A, sub-§2, ¶B,** as amended by PL 2007, c.
23 539, Pt. C, §5, is further amended to read:

24 B. For property tax years beginning on or after April 1, 2005, the commissioner shall
25 calculate the full-value education mill rate that is required to raise the statewide total
26 local share. The full-value education mill rate is calculated for each fiscal year by
27 dividing the applicable statewide total local share by the applicable statewide
28 valuation. The full-value education mill rate must decline over the period from fiscal
29 year 2005-06 to fiscal year 2008-09 and may not exceed 9.0 mills in fiscal year 2005-
30 06 and may not exceed 8.0 mills in fiscal year 2008-09. The full-value education mill
31 rate must be applied according to section 15688, subsection 3-A, paragraph A to
32 determine a municipality's local cost share expectation. Full-value education mill
33 rates must be derived according to the following schedule.

34 (1) For the 2005 property tax year, the full-value education mill rate is the
35 amount necessary to result in a 47.4% statewide total local share in fiscal year
36 2005-06.

37 (2) For the 2006 property tax year, the full-value education mill rate is the
38 amount necessary to result in a 46.14% statewide total local share in fiscal year
39 2006-07.

SENATE AMENDMENT

1 (3) For the 2007 property tax year, the full-value education mill rate is the
2 amount necessary to result in a 45.56% statewide total local share in fiscal year
3 2007-08.

4 (4) For the 2008 property tax year, the full-value education mill rate is the
5 amount necessary to result in a 45.99% statewide total local share in fiscal year
6 2008-09.

7 (4-A) ~~Except as provided in subparagraph (6), for~~ For the 2009 property tax year
8 and subsequent tax years, the full-value education mill rate is the amount
9 necessary to result in a 45.0% statewide total local share in fiscal year 2009-10
10 and after.

11 (6) ~~For school administrative units that do not conform to the requirements of~~
12 ~~chapter 103-A for the 2009 property tax year, the full-value education mill rate is~~
13 ~~the amount necessary to result in a 46.14% statewide total local share in fiscal~~
14 ~~year 2009-10 and after.~~

15 **Sec. A-19. 20-A MRSA §15688, sub-§3-A**, as amended by PL 2007, c. 240, Pt.
16 XXXX, §30, is further amended to read:

17 **3-A. School administrative unit; contribution.** For each school administrative
18 unit, the commissioner shall annually determine the school administrative unit's required
19 contribution, the required contribution of each municipality that is a member of the unit,
20 if the unit has more than one member, and the State's contribution to the unit's total cost
21 of education in accordance with the following.

22 A. For a school administrative unit composed of only one municipality, the
23 contribution of the unit and the municipality is the same and is the lesser of:

- 24 (1) The total cost described in subsection 1; and
- 25 (2) The total of the full-value education mill rate calculated in section 15671-A,
26 subsection 2 multiplied by the property fiscal capacity of the municipality.

27 B. ~~Except as provided in paragraph B-1, for~~ For a school administrative district,
28 community school district or regional school unit composed of more than one
29 municipality, each municipality's contribution to the total cost of education is the
30 lesser of:

- 31 (1) The municipality's total cost as described in subsection 2; and
- 32 (2) The total of the full-value education mill rate calculated in section 15671-A,
33 subsection 2 multiplied by the property fiscal capacity of the municipality.

34 ~~**B-1.** For a regional school unit, if the amount calculated pursuant to paragraph B is~~
35 ~~less than 2 mills multiplied by the property fiscal capacity of the municipality, the~~
36 ~~municipality's contribution to the total cost of education is an amount equal to 2 mills~~
37 ~~multiplied by the property fiscal capacity of the municipality. The difference in the~~
38 ~~amount calculated pursuant to paragraph B and the amount calculated pursuant to this~~
39 ~~paragraph, which amount may not be less than zero, must be used to proportionally~~
40 ~~lower the local contribution in the remaining municipalities.~~

H. of S.

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

- 4 (1) The total cost as described in subsection 1; and
- 5 (2) The sum of the totals calculated for each member municipality pursuant to
6 paragraph B, subparagraph (2), ~~plus the total calculated pursuant to paragraph B-~~
7 ~~1 if applicable.~~

8 D. The state contribution to the school administrative unit's total cost of education is
9 the total cost of education calculated pursuant to subsection 1 less the school
10 administrative unit's contribution calculated pursuant to paragraph A or C, as
11 applicable. The state contribution is subject to reduction in accordance with section
12 15690, subsection 1, paragraph C.

13 **Sec. A-20. 20-A MRSA §15696**, as enacted by PL 2007, c. 240, Pt. XXXX, §33,
14 is repealed.

15 **Sec. A-21. 20-A MRSA §15697** is enacted to read:

16 **§15697. Incentives**

17 **1. Authorized adjustments.** The following adjustments to the calculation of
18 subsidy under this chapter are required beginning July 1, 2009 for a school administrative
19 unit that becomes a member of an approved regional school unit or has an approved
20 alternative plan:

21 A. The local cost share expectation pursuant to 15671-A, subsection 2 must be
22 lowered as follows:

23 (1) For school administrative units with alternative plans approved by the
24 commissioner with not fewer than 2,500 students in accordance with Public Law
25 2007, chapter 240, Part XXXX, the local cost share expectation must be lowered
26 by 2%. This adjustment is effective for the 2009-10, 2010-11 and 2011-12 fiscal
27 years for funding calculations under this chapter.

28 (2) For school administrative units that become members of a regional school
29 unit that is based on a plan approved by the commissioner; has no fewer than
30 1,000 but no more than 1,599 students; and has been approved by the voters in
31 that region in accordance with Public Law 2007, chapter 240, Part XXXX, the
32 local cost share expectation must be lowered by 5%. The adjustment is effective
33 for the first operational year of the regional school unit to fiscal year 2011-12 for
34 funding calculations under this chapter.

35 (3) For school administrative units that become members of a regional school
36 unit that is based on a plan approved by the commissioner; has no fewer than
37 1,600 students; and has been approved by the voters in that region in accordance
38 with Public Law 2007, chapter 240, Part XXXX, the local cost share expectation
39 must be lowered by 10%. The adjustment is effective for the first operational
40 year of the regional school unit to fiscal year 2011-12 for funding calculations
41 under this chapter.

SENATE AMENDMENT

- 1 For regional school units that qualify under this paragraph, the local cost share
- 2 expectations for fiscal years following 2011-12 are adjusted by these percentages.
- 3 (a) For fiscal year 2012-13, the local cost share expectation must be lowered
- 4 by 8%.
- 5 (b) For fiscal year 2013-14, the local cost share expectation must be lowered
- 6 by 6%.
- 7 (c) For fiscal year 2014-15, the local cost share expectation must be lowered
- 8 by 4%.
- 9 (d) For fiscal year 2015-16, the local cost share expectation must be lowered
- 10 by 2%.
- 11 (e) For fiscal year 2016-17 and thereafter, the local cost share expectation is
- 12 not adjusted.

13 **Sec. A-22. PL 2007, c. 240, Pt. XXXX, §36** is amended to read:

14 **Sec. XXXX-36. Legislative intent and policy.** This Part establishes the process
15 for increasing the efficiency and effectiveness of school administrative units by providing
16 a process ~~for reorganizing them into 80~~ to enable school administrative units to exercise
17 the option of reorganization into regional school units that meet the policies set forth in
18 the Maine Revised Statutes, Title 20-A, section 1451 and by assisting units to develop
19 more efficient structures for providing administrative services.

20 **1. Meetings to be convened in each career and technical education region.** Not
21 later than July 15, 2007, the Commissioner of Education, or the commissioner's designee,
22 shall convene one or more meetings in each of the career and technical education regions
23 in the State to present information about the requirements of this Part regarding
24 consolidation and collaboration among school administrative units.

25 A. The Commissioner of Education shall provide notice of the meeting or meetings
26 to municipal officials and school officials from the municipalities and school
27 administrative units within the region, as well as to the general public.

28 B. In addition to other information presented at the meeting, the Commissioner of
29 Education shall provide one or more maps showing the suggested alignment of
30 municipalities and other school administrative units designed to increase efficiency
31 and improve educational quality and to meet the requirements of subsection 6.

32 C. Maps presented by the Commissioner of Education and alignment options
33 considered by school administrative unit representatives must reflect:

- 34 (1) The intent and goals set forth in Title 20-A, section 1451; and
- 35 (2) The intent that sustainable, long-term administrative efficiencies be achieved
- 36 by consolidating the current number of school units existing on the effective date
- 37 of this Act into 80 regional units or into a number of units that meets the
- 38 administrative efficiencies established by this Part. Regional units of at least
- 39 2,500 resident students must be created except where circumstances justify an
- 40 exception to that size requirement. When circumstances justify an exception to
- 41 the requirement of 2,500 students, the unit must serve as close to 2,500 students

H. of S.

SENATE AMENDMENT "E" to H.P. 1645, L.D. 2280

1 as possible and in no case, except for offshore islands and schools operated by
2 tribal school committees, may it serve fewer than 1,200 students.

3 **2. Notice of intent.** By August 31, 2007, each school administrative unit shall file
4 with the Commissioner of Education:

5 A. A notice of intent to engage in planning and negotiations with other school
6 administrative units for the purpose of developing a reorganization plan to form a
7 regional school unit under this Part and Title 20-A, chapter 103-A; or

8 B. A notice of intent to submit an alternative plan that meets the requirements of
9 subsection 6, paragraph F. An alternative plan may be submitted only by a unit that
10 is:

11 (1) An offshore island;

12 (2) A school operated by a tribal school committee pursuant to the Maine
13 Revised Statutes, Title 30, section 6214;

14 (3) A school administrative unit that serves more than 2,500 students, or 1,200
15 students where circumstances justify an exception to the requirement of 2,500
16 students under subsection 6, paragraph A, where expansion of the unit would be
17 inconsistent with the policies set forth in Title 20-A, section 1451; or

18 (4) A school administrative unit that is designated as an efficient, high-
19 performing district. For purposes of this subparagraph, a school administrative
20 unit is designated an "efficient, high-performing district" if:

21 (a) It contains at least 3 schools identified as "higher performing" in the May
22 2007 Maine Education Policy Research Institute report "The Identification of
23 Higher and Lower Performing Maine Schools"; and

24 (b) Its reported 2005-2006 per-pupil expenditures for system administration
25 represent less than 4% of its total per-pupil expenditures.

26 **3. Reorganization planning committee.** Municipalities that intend to engage in
27 planning and negotiation to create a regional school unit shall form a reorganization
28 planning committee.

29 A. For each proposed regional school unit, the Commissioner of Education shall
30 provide guidelines for the formation of a reorganization planning committee
31 including representation from the school administrative units in existence on the
32 effective date of this Part, member municipalities and members of the general public
33 who are residents of the proposed regional school unit. The guidelines must include
34 roles and responsibilities of the committee, timelines for submission of the plan, the
35 format for reporting the reorganization plan and evaluation criteria for approval of the
36 plan.

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

39 **4. Submission of plans.** By December 1, 2007, each school administrative unit shall
40 submit to the Commissioner of Education either:

41 A. Its proposed reorganization plan for consolidation into a regional school unit that
42 meets the requirements of subsections 5 and 6; or

H. of S.

1 B. Its proposed plans for reducing the cost of services within the school
2 administrative unit to meet the requirements of subsection 6, paragraph F.

3 Each school administrative unit shall exercise due diligence and act in good faith in
4 developing a plan that meets the requirements of this Part and furthers the intent of the
5 Legislature to achieve sustainable, long-term administrative efficiencies.

6 **5. Content.** A reorganization plan must include:

7 A. The units of school administration to be included in the proposed regional school
8 unit;

9 B. The size, composition and apportionment of the governing body;

10 C. The method of voting of the governing body;

11 D. The composition, powers and duties of any local school committees to be created;

12 E. The disposition of real and personal school property;

13 F. The disposition of existing school indebtedness and lease-purchase obligations if
14 the parties elect not to use the provisions of section 1506 regarding the disposition of
15 debt obligations;

16 G. The assignment of school personnel contracts, school collective bargaining
17 agreements and other school contractual obligations;

18 H. The disposition of existing school funds and existing financial obligations,
19 including undesignated fund balances, trust funds, reserve funds and other funds
20 appropriated for school purposes;

21 I. A transition plan that addresses the development of a budget for the first school
22 year of the reorganized unit and interim personnel policies;

23 J. Documentation of the public meeting or public meetings held to prepare or review
24 the reorganization plan;

25 K. An explanation of how units that approve the reorganization plan will proceed if
26 one or more of the proposed members of the regional school unit fail to approve the
27 plan;

28 L. An estimate of the cost savings to be achieved through formation of a regional
29 school unit and how costs will be reduced; and

30 M. Such other matters as the governing bodies of the school administrative units in
31 existence on the effective date of this Part may determine to be necessary.

32 **6. Parameters.** In developing a reorganization plan for school administrative units
33 in existence on the effective date of this Part, the governing bodies of school
34 administrative units shall work within the following parameters.

35 A. The proposed regional school unit must serve not fewer than 2,500 students,
36 except where circumstances relating to the following factors justify an exception:

37 (1) Geography, including physical proximity and the size of the current school
38 administrative unit;

39 (2) Demographics, including student enrollment trends and the composition and
40 nature of communities in the regional school unit;

H. 8.

- 1 (3) Economics, including existing collaborations to be preserved or enhanced
- 2 and opportunities to deliver commodities and services to be maximized;
- 3 (4) Transportation;
- 4 (5) Population density, including the rural nature of our communities;
- 5 (6) Other unique circumstances including the need to preserve existing or
- 6 developing relationships, meet the needs of students, maximize educational
- 7 opportunities for students and ensure equitable access to rigorous programs for
- 8 all students; or
- 9 (7) If, after performing due diligence to develop a regional plan that meets the
- 10 2,500 students enrollment requirement, a school administrative unit is unable to
- 11 achieve the enrollment goal due to the decision of geographically proximate
- 12 school administrative units to participate in a different regional unit.

13 When circumstances justify an exception to the requirement of 2,500 students, the
14 unit must serve at least 1,200 students, except for offshore islands and schools
15 operated by tribal school committees, which may serve fewer than 1,200 students.

16 B. The proposed unit, viewed in conjunction with surrounding proposed units, may
17 not result in one or more municipalities being denied the option to join a regional
18 school unit.

19 C. The plan must provide comprehensive programming for all students from
20 kindergarten to grade 12 and must include at least one publicly supported secondary
21 school;

22 D. The plan must be consistent with the policies set forth in Title 20-A, section 1451;

23 E. The plan may not displace teachers or students or close any schools existing and
24 operating during the school year immediately preceding reorganization, except as
25 permitted under section 1512; and

26 F. The plan must address how the school administrative unit will reorganize
27 administrative functions, duties and noninstructional personnel so that the projected
28 expenditures of the reorganized school unit in fiscal year 2008-09 for system
29 administration, transportation, special education and facilities and maintenance will
30 not have an adverse impact on the instructional program.

31 **7. Review plans.** If the Commissioner of Education finds that a plan for
32 reorganization meets the requirements of this Part, the commissioner shall notify the
33 municipalities and school administrative units and they shall proceed with referendum.

34 A. If the Commissioner of Education finds that a plan for reorganization is not
35 consistent with subsection 6 and the purposes and goals of this Part, or that it has not
36 adequately addressed the matters set forth in subsection 6, the commissioner shall
37 return the plan to the governing bodies of those school administrative units by
38 December 15, 2007 with specific suggestions for modification of the plan and written
39 findings providing the specific reasons why the plan did not meet with the
40 requirements in this Part.

41 B. Upon the return of a reorganization plan by the Commissioner of Education, the
42 governing body of the school administrative unit ~~shall~~ may revise the proposed plan

SENATE AMENDMENT

H. of S.

SENATE AMENDMENT "E" to H.P. 1645, L.D. 2280

1 for reorganization to address the commissioner's findings and submit a revised plan
2 for reorganization not more than 30 days after the commissioner returns the plan for
3 revision.

4 C. The Commissioner of Education shall make a determination whether the revised
5 plan for reorganization meets the requirements of this Part not more than 14 days
6 after it is refiled by the unit.

7 ~~D. The Commissioner of Education may not find that a plan for reorganization does~~
8 ~~not meet the requirements of this Part solely on the ground that a finding that it meets~~
9 ~~the requirements would cause the number of regional school units in the State to~~
10 ~~exceed 80.~~

11 **8. Referendum on reorganization plan.** The municipal officers of each
12 municipality in a proposed reorganized school administrative unit shall place a warrant
13 article substantially as follows on the ballot of a municipal referendum conducted in
14 accordance with the referendum procedures applicable to the school administrative unit
15 of which the municipality is a member. A referendum must be held on or before January
16 15, 2008 for a reorganization plan that was submitted by December 15, 2007 and that the
17 Commissioner of Education found meets the requirements of this Part. A referendum
18 ~~must~~ may be held on June 10, 2008 or on or before November 15, 2008 for any plan
19 received or revised after December 15, 2007 and subsequently found by the
20 Commissioner of Education to meet the requirements of this Part.

21 "Article: Do you favor approving the school administrative reorganization plan
22 prepared by the (insert name) Reorganization Planning Committee to reorganize
23 (insert names of affected school administrative units) into a regional school unit, with
24 an effective date of _____?"

25 Yes/No"

26 ~~The following statement must accompany the article:~~

27 ~~"Explanation:~~

28 ~~A "YES" vote means that you approve of the (municipality or school administrative~~
29 ~~unit) joining the proposed regional school unit, which will be provided with the~~
30 ~~following incentives:~~

31 ~~More favorable consideration in approval and funding of school construction~~
32 ~~projects; and~~

33 ~~Eligibility for additional financial support for reorganization costs.~~

34 ~~A "NO" vote means that you do not approve of the (municipality or school~~
35 ~~administrative unit) joining a regional school unit, which will result in the existing~~
36 ~~(municipality or school administrative unit) receiving the following penalties:~~

37 ~~Less favorable consideration in approval and funding of school construction~~
38 ~~projects; and~~

39 ~~A reduction in state funding of education costs in an amount estimated to be~~
40 ~~\$ _____ for school year 200_ and \$ _____ for school year 200_, with the~~
41 ~~possibility of ongoing penalties for continued failure to join an approved regional~~
42 ~~school unit. Reductions in state education funding will likely result in an~~
43 ~~increased mill rate expectation to meet the local share of education costs."~~

SENATE AMENDMENT

H. of S.

1 The Department of Education shall pay the cost of a referendum conducted before or on
2 January 15, 2008 30, 2009.

3 **9. Results of referendum.** Each school administrative unit that holds a referendum
4 pursuant to subsection 8 shall report the results of the referendum to the Department of
5 Education.

6 A. A reorganization plan is approved by a kindergarten to grade 12 school
7 administrative district or a kindergarten to grade 12 community school district if the
8 majority of votes cast in the district are in favor of approval of the plan.

9 B. A reorganization plan is approved by the member municipalities of a
10 nonkindergarten to grade 12 community school district if the majority of votes cast in
11 the member municipalities is in favor of approval of the plan. Approval results in all
12 member municipalities joining the regional school unit for all purposes for
13 kindergarten to grade 12.

14 C. A municipal school unit, including a municipal school unit that is a member of a
15 school union, approves a reorganization plan if the majority of the votes cast in that
16 municipality are in favor of approval of the plan.

17 D. If a reorganization plan is approved by all of the affected school administrative
18 units, or by the school administrative units considered sufficient under the proposed
19 units' reorganization plan, the Commissioner of Education shall file notice of
20 approval of the unit with the State Board of Education.

21 **10. Certificate of organization.** If a plan or revised plan for reorganization has
22 been approved by the Commissioner of Education and approved by voters at the
23 referendum, the State Board of Education shall issue a certificate of organization to the
24 school administrative units that are reorganized into regional school units.

25 **11. Result of disapproval at referendum.** A school administrative unit that rejects
26 a proposed reorganization plan ~~at the January 15, 2008 referendum or at a subsequent~~
27 ~~referendum on or before November 4, 2008~~ may restart the process to form a regional
28 school unit with the same or other school administrative units and may seek assistance
29 from the Department of Education to prepare another reorganization plan.

30 ~~A. Subsequent reorganization plans must meet the same requirements as for~~
31 ~~reorganization plans filed prior to the January 2008 referendum, except that the~~
32 ~~timelines are adjusted to reflect a July 1, 2009 reorganization date.~~

33 ~~B. The penalties set forth in Title 20 A, section 15696 apply to any school~~
34 ~~administrative unit that fails to approve a reorganization plan on or before November~~
35 ~~4, 2008 and to implement that plan by July 1, 2009.~~

36 ~~12. Reformulation of SAD as RSU.~~ Not later than December 1, 2008, the
37 Commissioner of Education shall notify any school administrative district that has not
38 voted to form a regional school unit on or before November 4, 2008 that the school
39 administrative district must be recreated as a regional school unit under Title 20 A,
40 chapter 103 A, effective July 1, 2009. Notwithstanding any other provision of law, a
41 school administrative district may be changed to a regional school unit upon notice to the
42 State Board of Education without dissolving the school administrative district.

43 **Sec. A-23. PL 2007, c. 240, Pt. XXXX, §44** is repealed.

- 1 **3. Special education administration.** Administration of special education duties of
- 2 school administrative units under chapter 303;
- 3 **4. Transportation.** Administration of transportation;
- 4 **5. Core curriculum.** Adoption of a core curriculum, standardized testing and
- 5 assessments aligned with the system of learning results established in section 6209;
- 6 **6. Budget.** Adoption of the regional school unit budget;
- 7 **7. Reporting.** Reporting required by state or federal law or regulation;
- 8 **8. Employment.** Functioning as the employer of all employees working within the
- 9 regional school unit for collective bargaining purposes and for all other purposes,
- 10 including but not limited to those contained in section 1464, in Title 26, chapter 9-A and
- 11 in all state and federal laws regulating the rights and duties of employers and employees;
- 12 **9. School calendar.** Establishment of a common school calendar, subject to local
- 13 variations permitted by the regional school unit board; and
- 14 **10. Adoption of policies.** Adoption of policies for all schools in the regional school
- 15 unit pursuant to section 1001, subsection 1-A, except that the local school committee may
- 16 adopt policies not in conflict with the regional school unit policies.

17 **Sec. B-3. 20-A MRSA §1461-A** is enacted to read:

18 **§1461-A. Transitional powers and duties of initial regional school unit board**

19 As used in this section, unless the context indicates otherwise, "regional school unit

20 board" means the initial regional school unit board elected pursuant to section 1472-A.

21 From the time of election of the regional school unit board to July 1st of the regional

22 school unit's first operational year, the regional school unit board shall establish interim

23 rules of procedures and shall elect officers who shall serve until officers are elected at a

24 meeting following the operational date of the regional school unit. The regional school

25 unit board's powers and duties during this period are governed by this section.

26 **1. Selection of superintendent.** The regional school unit board shall select a

27 superintendent for the regional school unit in accordance with section 1051 to carry out

28 the duties specified in section 1055. During the interim period, the salary, office and other

29 expenses of the superintendent, as well as the costs of the regional school unit board,

30 including insurance, must be allocated to the school administrative units by the cost-

31 sharing formula established in accordance with section 1481-A and included in the

32 reorganization plan for the regional school unit.

33 **2. Budget preparation and approval.** The regional school unit board shall prepare

34 the annual budget for the first operational year of the regional school unit in time for its

35 presentation to and consideration by the regional school unit board in accordance with

36 subchapter 4. Specific duties may be assigned to existing personnel with the approval of

37 the employing school administrative unit. The regional school unit board shall complete

38 the budget development process and recommend a budget for consideration by the

39 legislative body responsible for final budget approval and the residents of the regional

40 school unit. The budget format, approval procedures and assessments for the regional

41 school unit's first operational year budget must be in accordance with this chapter.

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

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

13 **Sec. B-4. 20-A MRSA §1472-A is enacted to read:**

14 **§1472-A. Election of initial regional school unit board**

15 1. Election; interim secretary; duties. Within 30 days of the issuance of a
16 certificate of organization for the regional school unit by the state board pursuant to
17 section 1461, subsection 7, the members of the school boards of the school administrative
18 units within the regional school unit shall conduct a joint meeting for the purposes of
19 electing an interim secretary of the regional school unit and determining a date for the
20 election of the initial regional school unit board. The interim secretary shall notify the
21 municipal officers of the member municipalities of the regional school unit of the date of
22 the election. The election must be conducted in accordance with section 1473, subsection
23 2, except that the election duties of the secretary and the regional school unit board must
24 be performed by the interim secretary. The duties of the interim secretary include:

- 25 A. Notifying the municipal officers of the date of the election;
- 26 B. Furnishing nomination papers at least 10 days before the deadline for filing
27 nomination papers;
- 28 C. Receiving completed nomination papers in accordance with section 1473,
29 subsection 2;
- 30 D. Preparing and distributing election ballots in accordance with section 1473,
31 subsection 2;
- 32 E. Receiving the town clerk's certification of the results of the voting in each
33 member municipality;
- 34 F. Tabulating the town clerk's certification of the results of the voting in each
35 member municipality;
- 36 G. Accepting any recount petitions that may have been filed pursuant to section
37 1473, subsection 2, paragraph C; and
- 38 H. Totaling the votes cast for each candidate and notifying the clerk in each
39 municipality, the candidates and the commissioner of the final results of the voting
40 and the names and addresses of the persons elected as directors.

H. of S.

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

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

9 **§1472-B. Staggered initial terms**

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

13 1. Municipalities with annual elections. In municipalities with annual elections,
14 1/3 of the directors serve one-year terms, 1/3 of the directors serve 2-year terms and 1/3
15 of the directors serve 3-year terms. If the number of directors is not evenly divisible by 3,
16 the first remaining director serves a 3-year term and the 2nd remaining director serves a
17 2-year term.

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

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

24 **Sec. B-6. 20-A MRSA §1478**, as enacted by PL 2007, c. 240, Pt. XXXX, §13, is
25 repealed and the following enacted in its place:

26 **§1478. Local school committees**

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

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

36 3. Budget responsibility. A reorganization plan that has been approved in
37 accordance with subchapter 2 or a regional school unit board may authorize a local school
38 committee to present to the board a proposed budget for the local school in a form that is
39 consistent with section 1485. The proposed local school budget must be submitted in
40 time to be included in the budget for the regional school unit. Proposed expenditures that
41 are not included in the regional school unit budget may be separately appropriated by the
42 municipality to be expended by the regional school unit in accordance with the

P. of S.

1 appropriation. Supplemental municipal appropriations for education are not subject to
2 section 1486.

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

7 **Sec. B-7. 20-A MRSA §1481**, as enacted by PL 2007, c. 240, Pt. XXXX, §13, is
8 repealed.

9 **Sec. B-8. 20-A MRSA §1481-A** is enacted to read:

10 **§1481-A. Finances**

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

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

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

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

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

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

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

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

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

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

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

H. of S.

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

3 B. A process of amending the cost-sharing formula must be included in the
4 reorganization plan.

5 Notwithstanding any provision of law to the contrary, a cost-sharing agreement in
6 existence on June 7, 2007 that was adopted pursuant to Public Law 2005, chapter 2 or
7 pursuant to a private and special law may not be construed to preempt the formation of a
8 regional school unit under this chapter. Notwithstanding any provision of law to the
9 contrary, a cost-sharing agreement between 2 or more municipalities in existence on June
10 7, 2007 that was adopted prior to June 7, 2007 may not be construed to preempt the
11 formation of a regional school unit under this chapter.

12 Notwithstanding any provisions of law to the contrary, a municipality within a
13 regional school unit may raise money and direct the spending of the funds to any school
14 within the regional school unit.

15 **Sec. B-9. 20-A MRSA §1482-A** is enacted to read:

16 **§1482-A. Budget meeting**

17 A regional school unit board shall hold a regional school unit budget meeting at a
18 time it determines.

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

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

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

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

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

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

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

35 **3. Requested articles.** If requested by a written petition of at least 10% of the
36 number of voters voting for the gubernatorial candidates in the last gubernatorial election
37 in each municipality within the regional school unit, the regional school unit board shall
38 place specific articles, not in conflict with existing state statutes, in the warrants for
39 consideration at the next annual regional school unit budget meeting. To be included in
40 the warrant, a petition must be received by the regional school unit board at least 15 days

H. of S.

SENATE AMENDMENT "E" to H.P. 1645, L.D. 2280

1 before the date set for the budget meeting. When placed on the warrant, the articles must
2 be considered before action relating to the appropriation of money for the operation of
3 schools may be taken.

4 **Sec. B-10. 20-A MRSA §1482-B** is enacted to read:

5 **§1482-B. Annual budget meeting procedures**

6 The following procedures must be used at a regional school unit annual budget
7 meeting.

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

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

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

18 A. The expenses necessary to operate the regional school unit;

19 B. Appropriations for the reserve fund; and

20 C. Appropriations for the contingency fund and school construction purposes.

21 **4. Approval.** A majority vote of those voters present and voting is necessary for the
22 approval of the annual budget.

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

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

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

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

35 **Sec. B-11. 20-A MRSA §1506, sub-§1, ¶A,** as enacted by PL 2007, c. 240, Pt.
36 XXXX, §13, is amended to read:

37 A. "Existing debt" means any bond, note, loan agreement, lease-purchase agreement
38 or other debt instrument issued prior to July 1, 2008 1st of the first operational year of
39 the new unit for the purposes of funding public schools, or for refinancing such debt,

H. of S.

SENATE AMENDMENT "E" to H.P. 1645, L.D. 2280

1 that remains outstanding at the time of a reorganization pursuant to this chapter.
2 "Existing debt" does not include routine payables or commercial contract obligations.

3 **Sec. B-12. 20-A MRSA §1506, sub-§4**, as enacted by PL 2007, c. 240, Pt.
4 XXXX, §13, is amended to read:

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

10 A. Sue and be sued in the name of the original education unit with respect to the
11 existing debt;

12 B. Determine the debt service due each fiscal year on any existing debt;

13 C. As applicable, allocate to each member of the original education unit the
14 member's share of the annual debt service for the existing debt of the original
15 education unit in addition to each member's share of costs of the new unit;

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

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

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

22 Allocations between members of the original education unit to pay the debt service for
23 the existing debt must be made on the basis of the cost-sharing formula of the original
24 education unit in effect on July 1, 2007, as applied to the year of allocation. In the case of
25 state-subsidized debt service, the provisions of subsection 3 apply. Amounts to pay the
26 debt service on the existing debt of the original education units must be included in the
27 budget that the regional school unit board of a new unit submits for approval. If the
28 original education unit is divided between different new units that have not agreed to
29 assume liability to pay the existing debt, the commissioner shall require that the
30 reorganization plan of one of those new units provide for that new unit to serve as agent
31 for purposes of the existing debt of the original education unit. That new unit, as agent,
32 has the authority provided by this subsection, except that the new unit shall notify the
33 other new units containing members of the original education unit of the amounts they
34 must assess and collect from their members who were members of the original education
35 unit, and those other new units shall perform the functions in subsection 4, paragraphs C
36 and D with respect to their members, and shall pay the appropriate amounts over to the
37 new unit serving as agent.

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

40 **6. Multiple municipalities.** If a school proposed for closure is ~~an elementary~~ a
41 school that serves students from more than one municipality, the article set forth in
42 subsection 1 must be submitted to the voters in each of the municipalities that sent all

SENATE AMENDMENT

H. of S.

1 elementary students from that municipality to the school. If the article is approved by a
2 majority of the voters in each of the municipalities, the school is not closed and the
3 municipalities share in the costs under this section in the same proportion as they share
4 the current operating costs of the school.

5 **Sec. B-14. 20-A MRSA §1701-C**, as enacted by PL 2007, c. 240, Pt. XXXX,
6 §16, is amended to read:

7 **§1701-C. Mandatory budget validation and cost center summary budget form**

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

13 **Sec. B-15. 20-A MRSA §5203, sub-§4**, as enacted by PL 1981, c. 693, §§5 and
14 8, is repealed and the following enacted in its place:

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

19 **Sec. B-16. 20-A MRSA §5204, sub-§4**, as amended by PL 1985, c. 797, §32, is
20 further amended to read:

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

30 **Sec. B-17. 20-A MRSA §6051, sub-§1, ¶C**, as enacted by PL 1985, c. 797, §36,
31 is amended to read:

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

34 **Sec. B-18. 20-A MRSA §6051, sub-§4**, as amended by PL 2005, c. 683, Pt. A,
35 §25, is further amended to read:

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

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

39 D. A written determination of whether or not the annual financial ~~report~~ data
40 submitted to the department is correct, including submission of an audited

1 reconciliation of the annual financial report data prepared and certified by the auditor;
2 and

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

6 **Sec. B-19. 20-A MRSA §6051, sub-§6**, as enacted by PL 2001, c. 344, §9, is
7 amended to read:

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

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

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

16 **1-B. Adjustments to state contributions to member municipalities in regional**
17 **school units.** The minimum state allocation provisions of subsection 1, paragraph B are
18 applicable for each case in which the school administrative units in existence prior to the
19 operational date of the new regional school unit received an adjustment under subsection
20 1, paragraph B for fiscal year 2007-08 or fiscal year 2008-09. For each regional school
21 unit eligible under this subsection, the minimum state allocation provisions of subsection
22 1, paragraph B are applicable for each member municipality that was a member of the
23 eligible school administrative units in existence prior to the operational date of the new
24 regional school unit.

25 **Sec. B-21. PL 2007, c. 240, Pt. XXXX, §36, sub-§6, ¶A-1** is enacted to read:

26 A-1. Notwithstanding the requirements of paragraph A, the Commissioner of
27 Education may authorize a unit to serve 1,200 or fewer students but not less than
28 1,000 students in an isolated rural community if the proposed regional school unit
29 meets at least one of the following criteria:

- 30 (1) The proposed regional school unit comprises 3 or more school administrative
31 units in existence prior to July 1, 2008;
- 32 (2) The member municipalities of the proposed regional school unit are
33 surrounded by approved regional school units and there are no other school
34 administrative units available to join the proposed regional school unit; or
- 35 (3) The member municipalities of the proposed regional school unit include 2 or
36 more isolated small schools that are eligible for an isolated small school
37 adjustment pursuant to the Maine Revised Statutes, Title 20-A, section 15683,
38 subsection 1, paragraph F.

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

1 the completion of negotiations for a single regional school unit-wide collective
2 bargaining agreement for the regional school unit-wide bargaining unit as described
3 in subsection 3.

4 **Sec. C-3. 20-A MRSA §1479, sub-§3, ¶B,** as enacted by PL 2007, c. 240, Pt.
5 XXXX, §13, is amended to read:

6 B. The regional school unit may negotiate ~~the~~ a new contract pursuant to chapter
7 115.

8 **Sec. C-4. 20-A MRSA §1479, sub-§4,** as enacted by PL 2007, c. 240, Pt.
9 XXXX, §13, is amended to read:

10 **4. Absence of contract; maintenance of school choice opportunities.** ~~A student~~
11 ~~who resides in a school administrative unit that does not maintain that student's grade~~
12 ~~from kindergarten to grade 12, and that does not enter into a contract for the education of~~
13 ~~its students pursuant to this chapter, has the option of attending a public school in another~~
14 ~~school administrative unit or private school approved for tuition purposes subject to the~~
15 ~~provisions of chapter 219 if that option was available from the previous school unit for~~
16 ~~the area in which that student resides. A school administrative unit that neither maintains~~
17 a school nor contracts for school privileges pursuant to chapter 115 shall continue to pay
18 tuition, in accordance with chapter 219, for a student who resides in the school
19 administrative unit at the public school or the private school approved for tuition
20 purposes of the parent's choice at which the student is accepted, calculated in accordance
21 with subsection 5.

22 **Sec. C-5. 20-A MRSA §1479, sub-§5,** as enacted by PL 2007, c. 240, Pt.
23 XXXX, §13, is amended to read:

24 **5. Additional expense.** ~~If, pursuant to subsection 4, a student attends a public~~
25 ~~school in another school administrative unit or private school approved for tuition~~
26 ~~purposes subject to the provisions of chapter 219, and the number of secondary school~~
27 ~~students from one or more municipalities in a regional school unit that attend a public~~
28 ~~school in a different school administrative unit or an approved private school is less than~~
29 ~~all the secondary school students in the regional school unit, the sending municipality of~~
30 ~~the regional school unit is responsible for the additional expense calculated under this~~
31 ~~subsection. In a regional school unit where some but not all of the students are attending~~
32 school pursuant to this section, the sending municipality is responsible for the additional
33 expense as calculated in accordance with this subsection.

34 A. For each secondary school student who attends a public school in another school
35 administrative unit, the sending municipality in a regional school unit is responsible
36 for an amount equal to the ~~number of secondary school students from that regional~~
37 ~~school unit multiplied by the amount that the receiving regional school unit's tuition~~
38 ~~rate pursuant to section 5805~~ difference in tuition in cases when it exceeds the
39 amount of the sending regional school unit's tuition rate pursuant to calculated in
40 accordance with section 5805.

41 B. For each secondary school student who attends a private school approved for
42 tuition purposes subject to the provisions of chapter 219, the sending municipality in
43 a regional school unit is responsible for an amount equal to the number of secondary



1 ~~school students from the regional school unit attending the private school multiplied~~
2 ~~by the amount that the private school's tuition rate pursuant to section 5806, or the~~
3 ~~tuition rate per the contract, if less, the difference in tuition in cases when it exceeds~~
4 ~~the amount of the sending regional school unit's tuition rate pursuant to~~ calculated in
5 accordance with section 5805.

6 ~~Any Municipalities exercising school choice pursuant to this section are responsible for a~~
7 ~~local contribution in accordance with section 15688 and the additional expense may not~~
8 ~~be included in the regional school unit budget when determining each member~~
9 ~~municipality's local contribution~~ calculated in accordance with this subsection.

10 ~~Any additional expense must be paid by the responsible municipality in equal monthly~~
11 ~~amounts unless the regional school unit and the member municipality agree to another~~
12 ~~payment schedule.~~

13 **Sec. C-6. 20-A MRSA §1486, sub-§2**, as enacted by PL 2007, c. 240, Pt.
14 XXXX, §13, is amended to read:

15 **2. Validation referendum procedures.** The budget validation referendum must be
16 held on or before the ~~10th~~ 14th ~~calendar day, other than Saturday, Sunday or a legal~~
17 ~~holiday,~~ following the scheduled date of the regional school unit budget meeting. The
18 referendum may not be held on a Saturday, Sunday or legal holiday. The vote at
19 referendum is for the purpose of approving or rejecting the total regional school unit
20 budget approved at the regional school unit budget meeting. The regional school unit
21 board shall provide printed information to be displayed at polling places to assist voters in
22 voting. That information is limited to the total amounts proposed by the regional school
23 unit board for each cost center summary budget category article, the amount approved at
24 the regional school unit budget meeting, a summary of the total authorized expenditures
25 and, if applicable because of action on an article under section 15690, subsection 3,
26 paragraph A, a statement that the amount approved at the regional school unit budget
27 meeting includes locally raised funds ~~over and above the regional school unit's local~~
28 ~~contribution to the total cost of funding public education from kindergarten to grade 12 as~~
29 ~~described in the Essential Programs and Services Funding Act that exceed the maximum~~
30 state and local spending target pursuant to section 15671-A, subsection 5.

31 **Sec. C-7. 20-A MRSA §1486, sub-§3**, as enacted by PL 2007, c. 240, Pt.
32 XXXX, §13, is amended to read:

33 **3. Budget validation referendum voting.** The method of calling and voting at a
34 budget validation referendum is as provided in sections 1503 and 1504, except as
35 otherwise provided in this subsection or as is inconsistent with other requirements of this
36 section.

37 A. A public hearing is not required before the vote.

38 ~~B. The warrant for a regional school unit budget meeting to be followed by a budget~~
39 ~~validation referendum may be a consolidated warrant covering both.~~

40 C. The warrant and absentee ballots must be delivered to the municipal clerk at least
41 7 days before no later than the day after the date of the regional school unit budget
42 meeting.

1 D. Absentee ballots received by the municipal clerk may not be processed or counted
2 unless received on the day after the conclusion of the regional school unit budget
3 meeting and before the close of the polls.

4 E. All envelopes containing absentee ballots received before the day after the
5 conclusion of the regional school unit budget meeting or after the close of the polls
6 must be marked "rejected" by the municipal clerk.

7 ~~F. If the school budget does not exceed the maximum state and local spending target~~
8 ~~pursuant to section 15671-A, subsection 5, the~~ The article to be voted on must be in
9 the following form:

10 (1) "Do you favor approving the (name of regional school unit) budget for the
11 upcoming school year that was adopted at the latest regional school unit budget
12 meeting?

13 Yes No"

14 ~~G. If the school budget exceeds the maximum state and local spending target~~
15 ~~pursuant to section 15671-A, subsection 5, the article to be voted on for a budget that~~
16 ~~includes locally raised funds over and above the regional school unit's local~~
17 ~~contribution to the total cost of funding public education from kindergarten to grade~~
18 ~~12 as described in the Essential Programs and Services Funding Act must be in the~~
19 ~~following form:~~

20 (1) ~~"Do you favor approving the (name of regional school unit) budget for the~~
21 ~~upcoming school year that was adopted at the latest regional school unit budget~~
22 ~~meeting and that includes locally raised funds that exceed the required local~~
23 ~~contribution as described in the Essential Programs and Services Funding Act?~~

24 Yes No

25 A YES vote allows additional funds to be raised for K-12 public education.

26 A NO vote means additional funds cannot be raised for K-12 public education."

27 **Sec. C-8. 20-A MRS §1487**, as enacted by PL 2007, c. 240, Pt. XXXX, §13, is
28 amended to read:

29 **§1487. Failure to pass budget**

30 If a budget for the operation of a regional school unit is not approved prior to July
31 1st, the latest budget ~~as submitted by the regional school unit board approved at a~~
32 regional school unit budget meeting and submitted to the voters for validation at a
33 referendum in accordance with section 1486 is automatically considered the budget for
34 operational expenses for the ensuing year until a final budget is approved, except that,
35 when the regional school unit board delays the regional school unit budget meeting, the
36 operating budget must be approved within 30 days of the date the commissioner notifies
37 the regional school unit board of the amount allocated to the regional school unit under
38 section 15689-B, or the latest budget submitted by the regional school unit board
39 becomes the operating budget for the next school year until a budget is approved at a
40 regional school unit budget meeting and validated at a referendum. If the budget of a
41 regional school unit is not approved and validated before July 1st and the officers of any
42 affected municipality determine that the property taxes must be committed in a timely

1 manner to the collector pursuant to Title 36, section 709, the municipal assessor or
2 assessors may commit the property taxes on the basis of the latest budget approved at a
3 regional school unit budget meeting and submitted to the voters for validation at a
4 referendum in accordance with section 1486.

5 **Sec. C-9. 20-A MRSA §1506, sub-§1, ¶A**, as enacted by PL 2007, c. 240, Pt.
6 XXXX, §13, is amended to read:

7 A. "Existing debt" means any bond, note, loan agreement, lease-purchase agreement
8 or other debt instrument issued prior to July 1, 2008 for the purposes of funding
9 public schools and career and technical education regions, or for refinancing such
10 debt, that remains outstanding at the time of a reorganization pursuant to this chapter.
11 "Existing debt" does not include routine payables or commercial contract obligations.

12 **Sec. C-10. 20-A MRSA §1506, sub-§1, ¶B**, as enacted by PL 2007, c. 240, Pt.
13 XXXX, §13, is amended to read:

14 B. "Original education unit" means:

15 (1) A previous education unit that has existing debt; or

16 (2) A municipality that has existing debt incurred on behalf of a previous
17 education unit; or

18 (3) A previous education unit within a career and technical education region as
19 defined by section 8301-A that has existing debt.

20 **Sec. C-11. PL 2007, c. 240, Pt. XXXX, §42, first ¶** is amended to read:

21 **Sec. 42. Transfer of property and assets; regional school units approved**
22 **after January 15, 2008.** This section applies to a regional school unit that is approved
23 after January 15, 2008 and before ~~November 5, 2008~~ November 15, 2008.

24 **Sec. C-12. PL 2007, c. 240, Pt. XXXX, §43, sub-§3** is amended to read:

25 **3. Transfer of governing authority; regional school units approved after**
26 **January 15, 2008.** This subsection applies to regional school units approved after
27 January 15, 2008 and before ~~November 5, 2008~~ November 15, 2008. The regional school
28 unit board of directors, on the date established in subsection 1, shall assume responsibility
29 for the management and control of the public schools and programs within the school
30 administrative units in existence prior to July 1, 2009 that are within the regional school
31 unit. Those school administrative units in existence prior to July 1, 2009, on the date
32 established in subsection 1, have no further responsibility for the operation or control of
33 the public schools and programs within the school administrative unit except those
34 pursuant to section 1481.

35 **Sec. C-13. PL 2007, c. 240, Pt. XXXX, §43, sub-§5** is amended to read:

36 **5. Transfer of teachers and employees.** Except as limited by paragraph A, for
37 regional school units approved prior to January 16, 2008, all teachers and school
38 employees who are employed by a participating school administrative unit on June 30,
39 2008 must be transferred to and employed by the regional school unit as of July 1, 2008.
40 Except as limited by paragraph A, for regional school units approved after January 15,

1 2008 and before ~~November 5, 2008~~ November 15, 2008, all teachers and school
2 employees who are employed by participating school administrative units on June 30,
3 2009 must be transferred and employed by the regional school unit as of July 1, 2009.
4 Except as limited by paragraph B, the regional school unit shall assume all of the legal
5 obligations and duties that the participating school administrative units owed to their
6 employees, including but not limited to those obligations and duties arising under federal
7 law, state law, collective bargaining agreements and individual employment contracts. It
8 is the intent of this Part to neither decrease nor increase the rights and benefits of
9 transferred employees or the employer. The regional school unit shall also maintain and
10 honor any agreements, contracts or policies regarding the rights and benefits of retirees
11 and former employees created by a participating school administrative unit that is
12 dissolved as a result of its inclusion within a regional school unit.

13 A. For regional school units approved prior to January 16, 2008, teachers or other
14 employees whose employment terminates by application of law or contract or by
15 action of a participating school administrative unit before July 1, 2008 may not be
16 transferred. For regional school units approved after January 15, 2008 and before
17 ~~November 5, 2008~~ November 15, 2008, teachers or other employees whose
18 employment terminates by application of law or contract or by action of a
19 participating school administrative unit before July 1, 2009 may not be transferred.

20 B. Teachers and other employees who are transferred to the regional school unit
21 prior to the completion of the applicable probationary period for their position have
22 the length of their probationary period calculated from the date of their most recent
23 date of employment by the participating school administrative unit.

24 **Sec. C-14. PL 2007, c. 240, Pt. XXXX, §43, sub-§6, ¶A** is amended to read:

25 A. On July 1, 2008 for regional school units approved prior to January 16, 2008 and
26 on July 1, 2009 for regional school units approved after January 15, 2008 and before
27 ~~November 5, 2008~~ November 15, 2008, the regional school unit board of directors
28 shall assume all of the obligations, duties, liabilities and rights of the participating
29 school administrative units for all purposes under Title 26, chapter 9-A. The regional
30 school unit is considered a single employer. Notwithstanding any other provision of
31 law, the responsibilities of the regional school unit include:

32 (1) Continued recognition of all bargaining agents that represented any
33 bargaining units of employees who were employed by a participating school
34 administrative unit, pending completion of merger proceedings described in this
35 section;

36 (2) Assumption and continued observance of all collective bargaining
37 agreements between such bargaining agents and a participating school
38 administrative unit, which agreements continue in effect for the remainder of
39 their unexpired term unless the bargaining agent and regional school unit
40 mutually agree otherwise; and

41 (3) Collective bargaining for an initial or successor collective bargaining
42 agreement in any bargaining unit in which a collective bargaining agreement is
43 not in effect on the operational date and for any interim agreement that may be
44 required to align expiration dates in a regional school unit-wide bargaining unit,
45 as described in this subsection.

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Sec. C-15. PL 2007, c. 240, Pt. XXXX, §43, sub-§6, ¶B is amended to read:

B. As early as possible but no later than August 31, 2011 for regional school units approved prior to January 15, 2008 and no later than August 31, 2012 for regional school units approved after January 15, 2008 and before ~~November 2, 2008~~ November 15, 2008, all bargaining units must be structured on a regional school unit-wide basis. Bargaining units that existed in the participating school administrative units shall merge in accordance with the procedures and criteria in this section. Merger into regional school unit-wide bargaining units is not subject to approval or disapproval of employees.

(1) Merger into regional school unit-wide bargaining units must be completed according to the schedule contained in this subsection, and no later than the latest expiration date of any collective bargaining agreement that was in effect on the operational date, which covered any employees in the merged unit.

(2) There must be one unit of teachers and, to the extent they are currently included in bargaining units, other certified professional employees, excluding principals and other administrators.

(3) Any additional bargaining units in a regional school unit must be structured as follows:

(a) In the initial establishment of such units, units must be structured primarily on the basis of the existing pattern of organization, maintaining the grouping of employee classifications into bargaining units that existed prior to the creation of the regional school unit and avoiding conflicts among different bargaining agents to the extent possible.

(b) In the event of a dispute regarding the classifications to be included within a regional school unit-wide bargaining unit, the current bargaining agent or agents or the regional school unit may petition the Maine Labor Relations Board to determine the appropriate unit in accordance with this section and Title 26, section 966, subsections 1 and 2.

(4) When there is the same bargaining agent in all bargaining units that will be merged into a regional school unit-wide bargaining unit, the units must be merged as of the operational date, and the regional school unit shall recognize the bargaining agent as the representative of the merged unit.

(5) When all bargaining units that will be merged into a regional school unit-wide bargaining unit are represented by separate local affiliates of the same state labor organization, the units must be merged as of the operational date. The identity of the single affiliate that will be designated the bargaining agent for the merged unit must be selected by the existing bargaining agents and the state labor organization. Upon completion of the merger and designation of the bargaining agent and notification by the state organization to the regional school unit, the regional school unit shall recognize the designated bargaining agent as the representative of employees in the merged unit. If necessary, the parties will then execute a written amendment to any collective bargaining agreement then in effect to change the name of the bargaining agent to reflect the merger.

SENATE AMENDMENT

R.S.S.

1 (6) Where there are bargaining units that will be merged into a regional school
2 unit-wide bargaining unit in which there are employees who are not represented
3 by any bargaining agent and other employees who are represented either by the
4 same bargaining agent or separate local affiliates of the same state labor
5 organization, the units must be merged as of the operational date as long as a
6 majority of employees who compose the merged unit were represented by the
7 bargaining agent prior to the merger. The procedures for merger of separate local
8 affiliates of the same state labor organization described in subparagraph (5) must
9 be followed if applicable. If prior to the merger a bargaining agent did not
10 represent a majority of employees who compose the merged unit, a bargaining
11 agent election must be conducted by the Maine Labor Relations Board pursuant
12 to subparagraph (8).

13 (7) When there are unexpired collective bargaining agreements with different
14 expiration dates in the merged bargaining units described in subparagraphs (4),
15 (5) and (6), all contracts must be honored to their expiration dates unless
16 mutually agreed to otherwise by the public employer and the bargaining agent.
17 Collective bargaining agreements must be bargained on an interim basis in any
18 merged bargaining unit so that all collective bargaining agreements expire on the
19 same date.

20 (8) When bargaining units with different bargaining agents must be merged into
21 a single regional school unit-wide bargaining unit pursuant to this subsection, the
22 bargaining agent of the merged bargaining unit must be selected in accordance
23 with Title 26, section 967, except as modified in this subparagraph.

24 (a) A petition for an election to determine the bargaining agent must be filed
25 with the Maine Labor Relations Board by any of the current bargaining
26 agents or the regional school unit.

27 (b) The petition must be filed not more than 90 days prior to the expiration
28 date of the agreement having the latest expiration date among the bargaining
29 units that will be merged into the regional school unit-wide bargaining unit.

30 (c) The election ballot may contain only the names of the bargaining agents
31 of bargaining units that will be merged into the regional school unit-wide
32 bargaining unit and the choice of "no representative," but no other choices.
33 No showing of interest is required from any such bargaining agent other than
34 its current status as representative.

35 (d) The obligation to bargain with existing bargaining agents continues from
36 the operational date until the determination of the bargaining agent of the
37 regional school unit-wide bargaining unit under this subsection; but in no
38 event may any collective bargaining agreement that is executed after the
39 operational date extend beyond the expiration date of the agreement having
40 the latest expiration date among the bargaining units that will be merged into
41 the regional school unit-wide bargaining unit that was in effect on the
42 operational date.

43 (e) The Maine Labor Relations Board shall expedite to the extent practicable
44 all petitions for determination of the bargaining agent in the regional school
45 unit-wide bargaining unit filed pursuant to this subsection.

(f) The bargaining units must be merged into a regional school unit-wide bargaining unit as of the date of certification of the results of the election by the Maine Labor Relations Board; or the expiration of the collective bargaining agreements in the unit, whichever occurs later.

PART D

Sec. D-1. 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

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

3 4. Agreement for dissolution; notice; changes in agreement; final agreement.

4 The agreement for dissolution must comply with the following.

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

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

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

36 (3) The agreement must establish that the dissolution will not cause a need
37 within 5 years from the effective date of dissolution for school construction
38 projects that would be eligible for state funds. This limitation does not apply
39 when a need for school construction existed prior to the effective date of the
40 dissolution or when a need for school construction would have arisen even if the
41 regional school unit had not dissolved.

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

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

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

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

10 (8) The agreement must provide for the continuation and assignment of
11 collective bargaining agreements as they apply to the new or reorganized regional
12 school unit for the duration of those agreements and must provide for the
13 continuation of representational rights.

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

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

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

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

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

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

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

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

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

SENATE AMENDMENT

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

- 3 10. Costs of dissolution agreements. If the regional school unit votes to permit
4 dissolution, then the regional school unit shall reimburse the petitioning municipality for
5 the authorized expenses incurred by the dissolution committee. If the regional school unit
6 votes not to permit dissolution, then the regional school unit will not be required to
7 reimburse the petitioning municipality for those expenses.

- 8 11. Determination of vote. The town and city clerks shall, within 24 hours of
9 determination of the result of the vote in their respective municipalities, certify the total
10 number of votes cast in the affirmative and the total number of votes cast in the negative
11 on the article to the board of directors.

- 12 12. Determination of results; notification of commissioner; execution of
13 agreement. Determination of results must comply with the following.
 - 14 A. Upon receipt of the results of the voting from all municipalities, the board of
15 directors shall meet and shall compute and record the total number of votes cast in the
16 municipalities in the affirmative and in the negative on the article.

 - 17 B. The board of directors shall notify the commissioner by registered mail or by
18 hand delivery of the results of the vote.

 - 19 C. If the commissioner finds that a majority of the voters voting on the article have
20 voted in the affirmative, the commissioner shall notify the directors of the regional
21 school unit to take steps to dissolve the regional school unit in accordance with the
22 terms of the agreement for dissolution.

- 23 13. Recount; checklists and ballots; disputed ballots. The following provisions
24 apply to recounts, checklists, ballots and disputed ballots.
 - 25 A. If, within 7 days of the computation and recording of the results of the voting
26 from all municipalities, the municipal officers of any participating municipality
27 request to the commissioner in writing a recount of the votes in the regional school
28 unit, the commissioner shall immediately cause the checklists and all the ballots cast
29 in all of the participating municipalities to be collected and kept at the commissioner's
30 office so they may be recounted by interested municipalities.

 - 31 B. The town clerks of the participating municipalities are authorized to deliver the
32 checklists and ballots to the commissioner, notwithstanding any other provision of
33 law to the contrary.

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

- 35 14. Execution of agreement; certified record; certificate of withdrawal. When
36 the agreement for dissolution has been put into effect by the directors of the regional
37 school unit, the directors shall notify the commissioner by certified mail that the
38 agreement of dissolution has been executed.
 - 39 A. A complete certified record of the transaction involved in the dissolution must be
40 filed with the commissioner.

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

4 **15. Indebtedness; indebtedness defined; indebtedness after dissolution.** The
5 following provisions apply to outstanding indebtedness.

6 A. Whenever a regional school unit having outstanding indebtedness dissolves, the
7 regional school unit remains intact for the purpose of securing and retiring the
8 indebtedness. The dissolution agreement may provide for alternate means for retiring
9 outstanding indebtedness.

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

19 **16. General purpose aid.** When a regional school unit dissolves, the general
20 purpose aid for the individual municipalities must be computed in accordance with
21 chapter 606-B.

22 **17. Committee recall.** If the commissioner determines that the dissolution
23 committee has failed to comply with the requirements of this section, the commissioner
24 may authorize the municipal officers and the board of directors of the regional school unit
25 to recall their representatives and to appoint new representatives to the committee.

26 **§1517. Withdrawal of a single municipality from a regional school unit**

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

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

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

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

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1 2. Form. The article to be voted upon must be in substantially the following form:
2 "Article: Do you favor filing a petition for withdrawal with the directors of regional
3 school unit (name of regional school unit) and with the Commissioner of Education,
4 authorizing the withdrawal committee to expend \$ (insert amount) and authorizing
5 the (municipal officers; i.e., selectmen, town council, etc.) to issue notes in the name
6 of the (name of the municipality) or otherwise pledge the credit of the (name of the
7 municipality) in an amount not to exceed \$ (insert amount) for this purpose?"

8 Yes No"

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

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

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

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

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

40 (1) The agreement must contain provisions to provide educational services for all
41 students in the regional school unit. The agreement must provide that during the
42 first year following the withdrawal, students may attend the school they would
43 have attended if the petitioning municipality had not withdrawn. The allowable
44 tuition rate for students sent from one municipality to another in the former

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- 1 regional school unit must be determined under section 5805, subsection 1, except
2 that it is not subject to the state per pupil average limitation in section 5805,
3 subsection 2.
- 4 (2) The agreement must establish the withdrawal to take effect at the end of the
5 regional school unit's fiscal year.
- 6 (3) The agreement must establish that the withdrawal will not cause a need
7 within 5 years from the effective date of withdrawal for school construction
8 projects that would be eligible for state funds. This limitation does not apply
9 when a need for school construction existed prior to the effective date of the
10 withdrawal or when a need for school construction would have arisen even if the
11 municipality had not withdrawn.
- 12 (4) The agreement must establish how transportation services will be provided.
- 13 (5) The agreement must provide for administration of the new municipal
14 administrative unit, which should not include the creation of new supervisory
15 units if at all possible.
- 16 (6) The agreement must make provision for the distribution of financial
17 commitments arising from outstanding bonds, notes and any other contractual
18 obligations that extend beyond the proposed date of withdrawal.
- 19 (7) The agreement must make appropriate provision for the distribution of any
20 outstanding financial commitments to the superintendent of the regional school
21 unit.
- 22 (8) The agreement must provide for the continuation and assignment of
23 collective bargaining agreements as they apply to the new or reorganized regional
24 school unit for the duration of those agreements and must provide for the
25 continuation of representational rights.
- 26 (9) The agreement must provide for the continuation of continuing contract
27 rights under section 13201.
- 28 (10) The agreement must provide for the disposition of all real and personal
29 property and other monetary assets.
- 30 (11) The agreement must provide for the transition of administration and
31 governance of the schools to properly elected governing bodies of the newly
32 created municipal administrative unit and must provide that the governing body
33 may not be elected simultaneously with the vote on the article to withdraw unless
34 the commissioner finds there are extenuating circumstances that necessitate
35 simultaneous elections.
- 36 B. Within 60 days of the receipt of the agreement, the commissioner shall either give
37 it conditional approval or recommend changes. The changes must be based upon the
38 standards set forth in paragraph A and the commissioner's findings of whether the
39 contents of the plan will provide for appropriate educational and related services to
40 the students of the municipality and the regional school unit and for the orderly

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1 transition of assets, governance and other matters related to the municipality and the
2 regional school unit.

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

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

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

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

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

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

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

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

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

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

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

31 D. In the respective warrants, the municipal officers shall direct that the polls open at
32 10 a.m. and remain open until 8 p.m.

33 **6. Public hearing; voting procedures.** The following requirements apply to the
34 voting procedures.

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

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

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

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

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

7 Yes No"

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

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

13 A. A municipal vote on a petition for withdrawal if the petition received less than
14 45% of the votes cast; or

15 B. A municipal vote on a withdrawal agreement if the agreement received less than
16 60% of the votes cast.

17 **10. Cost of advisors.** The expense of employing competent advisors by the
18 municipality petitioning to withdraw must be borne by the municipality and the expense
19 of employing competent advisors by the regional school unit must be borne by the
20 regional school unit with the municipality bearing its share according to the regional
21 school unit's cost-sharing agreement.

22 **11. Determination of vote.** The town and city clerks shall, within 24 hours of
23 determination of the result of the vote in the municipality, certify the total number of
24 votes cast in the affirmative and the total number of votes cast in the negative on the
25 article to the commissioner.

26 **12. Determination of results; execution of agreement.** If the commissioner finds
27 that a majority of the voters voting on the article have voted in the affirmative, the
28 commissioner shall notify the municipal officers and the directors of the regional school
29 unit to take steps for the withdrawal in accordance with the terms of the agreement for
30 withdrawal.

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

33 A. If, within 7 days of the computation and recording of the results of the voting, the
34 municipality requests to the commissioner in writing a recount of the votes, the
35 commissioner shall immediately cause the checklists and all the ballots cast in the
36 municipality to be collected and kept at the commissioner's office so they may be
37 recounted by the municipality.

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

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

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

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

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

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

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

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

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

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

B. If the commissioner finds that it is impractical for the remaining municipalities to continue as a regional school unit, then the commissioner shall initiate a dissolution process by having the regional school unit submit the following article to the voters at a regional school unit meeting.

"Article: Do you favor appointment of a dissolution committee for the dissolution of regional school unit (name of regional school unit) by 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) of in an amount not to exceed \$ (insert amount) for this purpose?"

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Yes No"

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

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

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

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

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

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

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

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

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

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

"Article: Do you favor permitting the (name of municipality) to transfer from regional school unit (name of regional school unit) into regional school unit (name of regional school unit) as a participating municipality of that regional school unit subject to the terms and conditions of the agreement of transfer approved by the Commissioner of Education dated (insert date)?

Yes No"

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

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

1 3. It repeals the requirement that each municipality that is a member of a new
2 regional school unit contribute a minimum of 2 mills of the municipality's property fiscal
3 capacity to the total cost of education of the new regional school unit.

4 4. It also restores the laws that were amended or repealed to accommodate the
5 required consolidation.

6 Part B of this amendment accomplishes the following.

7 1. It clarifies the language pertaining to mandatory budget validation and cost
8 center summary budget forms for school administrative districts.

9 2. It outlines the core functions of a regional school unit.

10 3. It establishes the transitional powers and duties of an initial regional school unit
11 board.

12 4. It establishes procedures for the election of an initial regional school unit board,
13 including the staggering of terms.

14 5. It outlines the law governing local school committees within a regional school
15 unit, including formation, delegation of functions, budget responsibility and title to
16 property.

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

21 7. It clarifies the roles of the municipal officers and the school committee for
22 municipal school units whose municipal charters give authority to approve the school
23 budget to the municipal officers and establishes the requirements for calling a budget
24 meeting and the procedures for the budget meeting.

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

27 9. It clarifies the relationship between a regional school unit board and a local school
28 that seeks to raise additional funds for an elementary school or a secondary school that is
29 owned or managed by the member municipality. It also removes references to
30 "elementary" schools in the school closure provisions to clarify that secondary schools
31 are also subject to these requirements.

32 10. It clarifies the language pertaining to mandatory budget validation and cost
33 center summary budget forms for community school districts.

34 11. It clarifies language regarding the payment of tuition at a public school or
35 approved private school of the parent's choice.

36 12. It provides that a so-called "minimum receiver" who joins a regional school unit
37 continues to be eligible to receive minimum state allocations if that unit received such
38 allocations prior to the reorganization.

39 13. It permits the Commissioner of Education to authorize so-called "doughnut hole"
40 school units that have 1,200 or fewer students and no other available reorganization



1 partners to form a regional school unit that serves at least 1,000 students if these isolated,
2 rural school units meet certain criteria.

3 Part C of this amendment accomplishes the following.

4 1. It specifies that, in order for a regional school unit to have an operational date of
5 July 1st, a regional school unit must be approved at a referendum held on or before
6 November 15th of the preceding year.

7 2. It provides consistent language across the allocated and unallocated provisions in
8 the law to clarify the budget referendum ballot question to be placed before the voters at a
9 budget validation referendum vote.

10 3. It clarifies and amends the budget approval and validation process provisions to:

11 A. Increase the number of days from the legislative body meeting to the referendum
12 validation from 10 days to 14 days;

13 B. Provide that absentee ballots may not be distributed until the day after the
14 regional school unit budget meeting;

15 C. In the event that a regional school unit budget has not been approved and
16 validated prior to the start of the fiscal year, authorize municipalities to levy taxes
17 based on the most recent school budget approved at the regional school unit budget
18 meeting until a budget is validated by voters; and

19 D. Eliminate the need for 2 separate ballot questions for the budget validation
20 referendum vote and combine information on 2 votes into one document provided
21 with the warrant for the referendum vote.

22 4. It clarifies the debt liability of the school administrative units that are members of
23 a career and technical education region, including the disposition of debt incurred for a
24 school construction or renovation project at a career and technical education region by the
25 school administrative units that are members of the career and technical education region.

26 5. It clarifies the financial responsibility for the preservation of school choice in a
27 new regional school unit when a member municipality continues to provide tuition for
28 students to attend a school outside of the new regional school unit. The provision
29 provides that the member municipality is responsible for providing appropriations for any
30 additional expense above the sending regional school unit tuition rate for students who
31 are educated outside of the regional school unit.

32 6. It clarifies the rights and obligations of regional school units concerning the
33 reassignment of teachers and other employees of the regional school unit in the
34 transitional period from the operational date of the regional school unit until the
35 completion of negotiations for a regional school unit-wide collective bargaining
36 agreement.

37 7. It changes the deadline by which a referendum must be held to November 15,
38 2008 and changes dates that are linked to the referendum date. The current law
39 governing the reorganization of school administrative units requires that a referendum be
40 held on a proposed reorganization on or before November 4, 2008.

41 Part D enacts into law provisions regarding reorganization of regional school units.
42 The new provisions are similar to the Maine Revised Statutes, Title 20-A, former sections

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SENATE AMENDMENT "E" to H.P. 1645, L.D. 2280

1 1403, 1405 and 1406 and allow the dissolution of regional school units, the withdrawal
2 from a regional school unit by a municipality and the transfer by a municipality out of
3 one regional school unit into another. The amendment also includes provisions that
4 formerly applied in this area of law authorizing the State Board of Education to review
5 decisions of the Commissioner of Education and to make rules concerning the
6 reorganization of the regional school units.

7 **FISCAL NOTE REQUIRED**
8 (See attached)

9 SPONSORED BY: Richard Rosen
10 (Senator ROSEN, R.)
11 COUNTY: Hancock

SENATE AMENDMENT



123rd MAINE LEGISLATURE

LD 2280

LR 3490(05)

An Act To Clarify and Improve the Laws Governing the Formation of Regional School Units

Fiscal Note for Senate Amendment "E"

Sponsor: Sen. Rosen, R. of Hancock

Fiscal Note Required: Yes

Fiscal Note

Potential future biennium cost increase - General Fund

Fiscal Detail and Notes

Providing school administrative units (SAU's) with the option of forming a regional school unit (RSU) instead of requiring that SAU's reorganize into RSU's 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 and will depend on the number of regional school units established. Two areas which could impact future General Fund costs include special education and transportation.

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. Less savings being achieved versus what was anticipated in Public Law 2007, chapter 240, Part XXXX may require a higher level of state and local funding in order to fulfill the maintenance of effort requirement.

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. Less savings being achieved versus what was anticipated in Public Law 2007, chapter 240, Part XXXX may require a higher level of funding in order to meet the statutory requirement.