

MAINE STATE LEGISLATURE

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L.D. 2314

Date: 4-11-08

(Filing No. S-610)

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STATE OF MAINE
SENATE
123RD LEGISLATURE
FIRST SPECIAL SESSION

SENATE AMENDMENT "A" to H.P. 1675, L.D. 2314, Bill, "An Act To Amend School Funding Laws"

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 §1305-C, as enacted by PL 2007, c. 240, Pt. XXXX, §11, is amended to read:

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

Notwithstanding any other law, school administrative district budgets developed after January 1, 2008 must conform to the format and referendum procedures for regional school units as set forth in sections ~~1305-A and 1305-B~~ 1485 and 1486. A school administrative district is deemed to be a regional school unit solely for the purpose of developing a budget pursuant to sections 1485 and 1486.

Sec. A-2. 20-A MRSA §1452, as enacted by PL 2007, c. 240, Pt. XXXX, §13, is amended to read:

§1452. Application of general law; core functions of a regional school unit

Notwithstanding any provision of law to the contrary, schools operated by the regional school units established in accordance with this chapter are the official schools of the participating municipalities. The provisions of general law relating to public education apply to these schools. State funds for public schools must be paid directly to the treasurer of a regional school unit. The core functions for which a regional school unit is responsible include without limitation:

1. Employment of superintendent. Employment and discharge of a superintendent pursuant to section 1001, subsection 3 and chapter 101, subchapter 2;

2. Performance of business functions. Administration of accounting, payroll, financial management, purchasing insurance and auditing;

3. Special education administration. Administration of special education duties of school administrative units under chapter 303;

1 **4. Transportation.** Administration of transportation;

2 **5. Core curriculum.** Adoption of a core curriculum, standardized testing and
3 assessments aligned with the system of learning results established in section 6209;

4 **6. Budget.** Adoption of the regional school unit budget;

5 **7. Reporting.** Reporting required by state or federal law or regulation;

6 **8. Employment.** Functioning as the employer of all employees working within the
7 regional school unit for collective bargaining purposes and for all other purposes,
8 including but not limited to those contained in section 1464, in Title 26, chapter 9-A and
9 in all state and federal laws regulating the rights and duties of employers and employees;

10 **9. School calendar.** Establishment of a common school calendar, subject to local
11 variations permitted by the regional school unit board; and

12 **10. Adoption of policies.** Adoption of policies for all schools in the regional school
13 unit pursuant to section 1001, subsection 1-A, except that the local school committee may
14 adopt policies not in conflict with the regional school unit policies.

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

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

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

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

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

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

27 (d) Transportation;

28 (e) Population density; or

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

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

37 In addition to the exceptions provided in this subparagraph to the requirement
38 that a unit serve at least 1,200 students, the commissioner must lower the 1,200-

1 student requirement in previous education units in which the commissioner finds
2 that a population density of less than 50 residents per square mile makes a 1,200-
3 student unit impractical.

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

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

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

11 **Sec. A-4. 20-A MRSA §1461-A** is enacted to read:

12 **§1461-A. Transitional powers and duties of initial regional school unit board**

13 As used in this section, unless the context indicates otherwise, "regional school unit
14 board" means the initial regional school unit board elected pursuant to section 1472-A.
15 From the time of election of the regional school unit board to July 1st of the regional
16 school unit's first operational year, the regional school unit board shall establish interim
17 rules of procedures and shall elect officers who shall serve until officers are elected at a
18 meeting following the operational date of the regional school unit. The regional school
19 unit board's powers and duties during this period are governed by this section.

20 **1. Selection of superintendent.** The regional school unit board shall select a
21 superintendent for the regional school unit in accordance with section 1051 to carry out
22 the duties specified in section 1055. During the interim period, the salary, office and other
23 expenses of the superintendent, as well as the costs of the regional school unit board,
24 including insurance, must be allocated to the school administrative units by the cost-
25 sharing formula established in accordance with section 1481-A and included in the
26 reorganization plan for the regional school unit.

27 **2. Budget preparation and approval.** The regional school unit board shall prepare
28 the annual budget for the first operational year of the regional school unit in time for its
29 presentation to and consideration by the regional school unit board in accordance with
30 subchapter 4. Specific duties may be assigned to existing personnel with the approval of
31 the employing school administrative unit. The regional school unit board shall complete
32 the budget development process and recommend a budget for consideration by the
33 legislative body responsible for final budget approval and the residents of the regional
34 school unit. The budget format, approval procedures and assessments for the regional
35 school unit's first operational year budget must be in accordance with this chapter.

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

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

6 **Sec. A-5. 20-A MRSA §1472, sub-§2, ¶C,** as enacted by PL 2007, c. 240, Pt.
7 XXXX, §13, is amended to read:

8 C. A plan may not permit the voting power of any director to exceed by more than
9 2% ~~5%~~ the percentage of voting power the director would have if all 1,000 votes
10 were apportioned equally among the directors.

11 **Sec. A-6. 20-A MRSA §1472-A** is enacted to read:

12 **§1472-A. Election of initial regional school unit board**

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

23 A. Notifying the municipal officers of the date of the election;

24 B. Furnishing nomination papers at least 10 days before the deadline for filing
25 nomination papers;

26 C. Receiving completed nomination papers in accordance with section 1473,
27 subsection 2;

28 D. Preparing and distributing election ballots in accordance with section 1473,
29 subsection 2;

30 E. Receiving the town clerk's certification of the results of the voting in each
31 member municipality;

32 F. Tabulating the town clerk's certification of the results of the voting in each
33 member municipality;

34 G. Accepting any recount petitions that may have been filed pursuant to section
35 1473, subsection 2, paragraph C; and

36 H. Totaling the votes cast for each candidate and notifying the clerk in each
37 municipality, the candidates and the commissioner of the final results of the voting
38 and the names and addresses of the persons elected as directors.

39 **2. Initial meeting.** In accordance with section 1473, subsection 1, the clerk of each
40 municipality within the regional school unit shall forward the names and addresses of the

1 directors elected to represent that municipality to the state board with other data regarding
2 their election as the state board may require. On receipt of the names and addresses of all
3 of the directors, the state board shall set a time, place and date for the first meeting of the
4 directors and give notice to the directors in writing, sent by registered or certified mail,
5 return receipt requested, to the addresses provided by the municipalities.

6 **Sec. A-7. 20-A MRSA §1472-B** is enacted to read:

7 **§1472-B. Staggered initial terms**

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

11 **1. Municipalities with annual elections.** In municipalities with annual elections,
12 1/3 of the directors serve one-year terms, 1/3 of the directors serve 2-year terms and 1/3
13 of the directors serve 3-year terms. If the number of directors is not evenly divisible by 3,
14 the first remaining director serves a 3-year term and the 2nd remaining director serves a
15 2-year term.

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

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

22 **Sec. A-8. 20-A MRSA §1478**, as enacted by PL 2007, c. 240, Pt. XXXX, §13, is
23 repealed and the following enacted in its place:

24 **§1478. Local school committees**

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

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

34 **3. Budget responsibility.** A reorganization plan that has been approved in
35 accordance with subchapter 2 or a regional school unit board may authorize a local school
36 committee to present to the board a proposed budget for the local school in a form that is
37 consistent with section 1485. The proposed local school budget must be submitted in
38 time to be included in the budget for the regional school unit. Proposed expenditures that
39 are not included in the regional school unit budget may be separately appropriated by the
40 municipality to be expended by the regional school unit in accordance with the
41 appropriation. Supplemental municipal appropriations for education are not subject to
42 section 1486.

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

5 **Sec. A-9. 20-A MRSA §1481**, as enacted by PL 2007, c. 240, Pt. XXXX, §13, is
6 repealed.

7 **Sec. A-10. 20-A MRSA §1481-A** is enacted to read:

8 **§1481-A. Finances**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

13 **Sec. A-11. 20-A MRSA §1482-A** is enacted to read:

14 **§1482-A. Budget meeting**

15 A regional school unit board shall hold a regional school unit budget meeting at a
16 time it determines.

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

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

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

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

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

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

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

33 **3. Requested articles.** If requested by a written petition of at least 10% of the
34 number of voters voting for the gubernatorial candidates in the last gubernatorial election
35 in each municipality within the regional school unit, the regional school unit board shall
36 place specific articles, not in conflict with existing state statutes, in the warrants for
37 consideration at the next annual regional school unit budget meeting. To be included in
38 the warrant, a petition must be received by the regional school unit board at least 15 days
39 before the date set for the budget meeting. When placed on the warrant, the articles must
40 be considered before action relating to the appropriation of money for the operation of
41 schools may be taken.

1 **Sec. A-12. 20-A MRSA §1482-B** is enacted to read:

2 **§1482-B. Annual budget meeting procedures**

3 The following procedures must be used at a regional school unit annual budget
4 meeting.

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

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

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

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

16 B. Appropriations for the reserve fund; and

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

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

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

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

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

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

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

34 A. "Existing debt" means any bond, note, loan agreement, lease-purchase agreement
35 or other debt instrument issued prior to July 1, 2008 1st of the first operational year of
36 the new unit for the purposes of funding public schools, or for refinancing such debt,
37 that remains outstanding at the time of a reorganization pursuant to this chapter.
38 "Existing debt" does not include routine payables or commercial contract obligations.

1 **Sec. A-14. 20-A MRSA §1506, sub-§4**, as enacted by PL 2007, c. 240, Pt.
2 XXXX, §13, is amended to read:

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

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

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

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

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

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

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

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

36 **Sec. A-15. 20-A MRSA §1512, sub-§6**, as enacted by PL 2007, c. 240, Pt.
37 XXXX, §13, is amended to read:

38 **6. Multiple municipalities.** If a school proposed for closure is ~~an elementary~~ a
39 school that serves students from more than one municipality, the article set forth in
40 subsection 1 must be submitted to the voters in each of the municipalities that sent all
41 ~~elementary~~ students from that municipality to the school. If the article is approved by a
42 majority of the voters in each of the municipalities, the school is not closed and the

1 municipalities share in the costs under this section in the same proportion as they share
2 the current operating costs of the school.

3 **Sec. A-16. 20-A MRSA c. 103-A, sub-c. 7** is enacted to read:

4 **SUBCHAPTER 7**

5 **REORGANIZATION OF REGIONAL SCHOOL UNITS**

6 **§1516. Dissolution of a district**

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

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

16 **B.** The petition must be approved by secret ballot by a 2/3 vote of the voters present
17 and voting before it may be presented to the board of directors and the commissioner.
18 Voting in towns must be conducted in accordance with Title 30-A, sections 2528 and
19 2529, even if the towns have not accepted the provisions of Title 30-A, section 2528,
20 and voting in cities must be conducted in accordance with Title 21-A.

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

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

28 **Yes No"**

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

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

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

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

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

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

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

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

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

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

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

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

4 (8) The agreement must provide for the assumption and assignment of all
5 obligations, duties, liabilities and rights related to collective bargaining as
6 described in this section. Immediately following the dissolution, each municipal
7 school unit shall assume all of the obligations, duties, liabilities and rights of the
8 regional school unit for all purposes under Title 26, chapter 9-A with respect to
9 the employees who are transferred and assigned to the municipal school unit.
10 Notwithstanding any other provision of law, the responsibilities of a municipal
11 school unit include:

12 (a) Continued recognition of all bargaining agents that represented any
13 bargaining units of employees who were employed by the regional school
14 unit and any successor or successors to such bargaining agents that are
15 created as a consequence of the dissolution of the regional school unit and the
16 division of the regional bargaining unit into municipal school unit bargaining
17 units; and

18 (b) Assumption and continued observance of all collective bargaining
19 agreements between such bargaining agents and the regional school unit,
20 which agreements continue in effect for the remainder of their unexpired
21 terms unless the bargaining agent and a municipal school unit mutually agree
22 otherwise.

23 (9) The agreement must provide for the transfer and assignment of teachers and
24 other school employees as described in this section. Except as limited by
25 division (a), all teachers and school employees who are employed by the regional
26 school unit on the effective date of the dissolution must be immediately
27 transferred to and employed by a municipal school unit. Each municipal school
28 unit shall assume all of the legal obligations and duties that the regional school
29 unit owed to its employees, including but not limited to those obligations and
30 duties arising under federal law, state law, collective bargaining agreements and
31 individual employment contracts. It is the intent of this chapter to neither
32 decrease nor increase the rights and benefits of transferred employees or the
33 employers. The municipal school units shall also maintain and honor any
34 agreements, contracts or policies regarding the rights and benefits of retirees and
35 former employees of the regional school unit that is dissolved.

36 (a) Teachers or other employees whose employment terminates by
37 application of law or contract or by action of the regional school unit before
38 the effective date of the dissolution may not be transferred.

39 (b) Teachers and other employees who are transferred from the regional
40 school unit to an individual municipal school unit prior to the completion of
41 the applicable probationary period for their position have the length of their
42 probationary period calculated from the date of their most recent date of
43 employment by the regional school unit.

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

3 (11) The agreement must provide for the transition of administration and
4 governance of the schools to properly elected governing bodies of the newly
5 created administrative units and must provide that the governing bodies may not
6 be elected simultaneously with the vote on the article to dissolve unless the
7 commissioner finds there are extenuating circumstances that necessitate
8 simultaneous elections.

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

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

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

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

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

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

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

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

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

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

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

39 C. The town or city clerk shall immediately notify the municipal officers upon
40 receipt of the notice, and the municipal officers shall meet and immediately issue a

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1 warrant for a special town meeting or city election, as the case may be, to be held on
2 the date designated by the commissioner. No other date may be used.

3 D. In the respective warrants, the municipal officers shall direct that the polls open at
4 10 a.m. and remain open until 8 p.m.

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

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

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

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

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

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

18 Yes No"

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

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

24 A. A municipal vote on a petition for dissolution if the petition received less than
25 60% of the votes cast; or

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

28 **10. Costs of dissolution agreements.** If the regional school unit votes to permit
29 dissolution, then the regional school unit shall reimburse the petitioning municipality for
30 the authorized expenses incurred by the dissolution committee. If the regional school unit
31 votes not to permit dissolution, then the regional school unit will not be required to
32 reimburse the petitioning municipality for those expenses.

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

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

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

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

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

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

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

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

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

22 **14. Execution of agreement; certified record; certificate of withdrawal.** When
23 the agreement for dissolution has been put into effect by the directors of the regional
24 school unit, the directors shall notify the commissioner by certified mail that the
25 agreement of dissolution has been executed.

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

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

31 **15. Indebtedness; indebtedness defined; indebtedness after dissolution.** The
32 following provisions apply to outstanding indebtedness.

33 A. Whenever a regional school unit having outstanding indebtedness dissolves, the
34 regional school unit remains intact for the purpose of securing and retiring the
35 indebtedness. The dissolution agreement may provide for alternate means for retiring
36 outstanding indebtedness.

37 B. For the purposes of this subsection, "outstanding indebtedness" means bonds or
38 notes for school construction projects issued by the board of directors pursuant to the
39 authorization established under chapter 609 or Title 20, sections 3457 to 3460 or
40 obligations to the Maine School Building Authority pursuant to any contract, lease or
41 agreement made by the board of directors pursuant to approval thereof in a meeting
42 of the regional school unit, but does not include any indebtedness of any municipality

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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 regional school unit dissolves, the general purpose aid for the individual municipalities must be computed in accordance with chapter 606-B.

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

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

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

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

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

C. The petition to withdraw from the regional school unit must be approved by secret ballot by a majority 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 withdrawal with the directors of regional school unit (name of regional school unit) and with the Commissioner of Education, authorizing the withdrawal 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 the municipality vote favorably on a petition for withdrawal, 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 withdraw from the regional
3 school unit.

4 **4. Agreement for withdrawal; notice; changes in agreement; final agreement.**

5 The agreement for withdrawal must comply with the following.

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

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

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

36 (3) The agreement must establish that the withdrawal will not cause a need
37 within 5 years from the effective date of withdrawal 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 withdrawal or when a need for school construction would have arisen even if the
41 municipality had not withdrawn.

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

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

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 assumption and assignment of all
11 obligations, duties, liabilities and rights related to collective bargaining as
12 described in this section. Immediately following the withdrawal, the municipal
13 school unit shall assume all of the obligations, duties, liabilities and rights of the
14 regional school unit for all purposes under Title 26, chapter 9-A with respect to
15 the employees who are transferred and assigned to the municipal school unit.
16 Notwithstanding any other provision of law, the responsibilities of the municipal
17 school unit include:

18 (a) Continued recognition of all bargaining agents that represented any
19 bargaining units of employees who were employed by the regional school
20 unit and any successor or successors to such bargaining agents that are
21 created as a consequence of the withdrawal of the municipality from the
22 regional school unit and the division of the regional bargaining unit; and

23 (b) Assumption and continued observance of all collective bargaining
24 agreements between such bargaining agents and the regional school unit,
25 which agreements continue in effect for the remainder of their unexpired
26 terms unless the bargaining agent and the municipal school unit mutually
27 agree otherwise.

28 (9) The agreement must provide for the continuation or transfer and assignment
29 of teachers and other school employees as described in this section. Except as
30 limited by division (a), all teachers and school employees who are employed by
31 the regional school unit on the effective date of the withdrawal must be either
32 continued in employment by the regional school unit or immediately transferred
33 to and employed by the withdrawing municipal school unit. The withdrawing
34 municipal school unit shall assume all of the legal obligations and duties that the
35 regional school unit owed to its employees, including but not limited to those
36 obligations and duties arising under federal law, state law, collective bargaining
37 agreements and individual employment contracts. It is the intent of this chapter to
38 neither decrease nor increase the rights and benefits of transferred employees or
39 the employer. The municipal school unit shall also maintain and honor any
40 agreements, contracts or policies regarding the rights and benefits of retirees and
41 former employees of the regional school unit.

1 (a) Teachers or other employees whose employment terminates by
 2 application of law or contract or by action of the regional school unit before
 3 the effective date of the withdrawal may not be transferred or continued.

4 (b) Teachers and other employees who are transferred from the regional
 5 school unit to an individual municipal school unit prior to the completion of
 6 the applicable probationary period for their position have the length of their
 7 probationary period calculated from the date of their most recent date of
 8 employment by the regional school unit.

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

11 (11) The agreement must provide for the transition of administration and
 12 governance of the schools to properly elected governing bodies of the newly
 13 created municipal administrative unit and must provide that the governing body
 14 may not be elected simultaneously with the vote on the article to withdraw unless
 15 the commissioner finds there are extenuating circumstances that necessitate
 16 simultaneous elections.

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

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

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

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

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

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

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

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

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

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

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

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

12 D. In the respective warrants, the municipal officers shall direct that the polls open at
13 10 a.m. and remain open until 8 p.m.

14 **6. Public hearing; voting procedures.** The following requirements apply to the
15 voting procedures.

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

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

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

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

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

27 Yes No"

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

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

33 A. A municipal vote on a petition for withdrawal if the petition received less than
34 45% of the votes cast; or

35 B. A municipal vote on a withdrawal agreement if the agreement received less than
36 60% of the votes cast.

37 **10. Cost of advisors.** The expense of employing competent advisors by the
38 municipality petitioning to withdraw must be borne by the municipality and the expense
39 of employing competent advisors by the regional school unit must be borne by the
40 regional school unit with the municipality bearing its share according to the regional
41 school unit's cost-sharing agreement.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22 Yes No"

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

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

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

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

37 §1518. Transfer of a municipality from one regional school unit to another

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

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

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

7 B. The approval process for the agreement must follow the steps set forth in section
8 1516, subsection 4 to subsection 16 except as modified in this section.

9 (1) The agreement must provide for the assumption and assignment of all
10 obligations, duties, liabilities and rights related to collective bargaining as
11 described in this section. Immediately following the transfer of the municipality,
12 the regional school unit to which the municipality has transferred shall assume all
13 of the obligations, duties, liabilities and rights of the former regional school unit
14 for all purposes under Title 26, chapter 9-A with respect to the employees who
15 are transferred and assigned from one regional school unit to another.
16 Notwithstanding any other provision of law, the responsibilities of the regional
17 school unit include:

18 (a) Continued recognition of all bargaining agents that represented any
19 bargaining units of employees who were employed by the regional school
20 unit from which the municipality transferred and any successor or successors
21 to such bargaining agents that are created as a consequence of the withdrawal
22 of the municipality from the regional school unit and the division of the
23 regional bargaining unit; and

24 (b) Assumption and continued observance of all collective bargaining
25 agreements between such bargaining agents and the regional school unit,
26 which agreements continue in effect for the remainder of their unexpired
27 terms unless the bargaining agent and the regional school unit mutually agree
28 otherwise.

29 As early as possible after the transfer of the municipality from one regional
30 school unit to another, all bargaining units in the regional school unit to which
31 the municipality has been transferred must be structured on a regional school
32 unit-wide basis. Bargaining units that existed in the municipality that has been
33 transferred and bargaining units that exist in the regional school unit to which the
34 municipality has transferred shall merge in accordance with the procedures and
35 criteria in section 1464.

36 (2) The agreement must provide for the continuation or transfer and assignment
37 of teachers and other school employees as described in this section. Except as
38 limited by division (a), all teachers and school employees who are employed by
39 the regional school unit on the effective date of the transfer of the municipality
40 from one regional school unit to another must be either continued in employment
41 by the regional school unit from which the municipality has transferred or
42 immediately transferred to and employed by the regional school unit to which the
43 municipality has transferred. The regional school unit to which the municipality
44 has transferred shall assume all of the legal obligations and duties that the

regional school unit from which the municipality has transferred owed to its employees, including but not limited to those obligations and duties arising under federal law, state law, collective bargaining agreements and individual employment contracts. It is the intent of this chapter to neither decrease nor increase the rights and benefits of transferred employees or the employer. The regional school unit to which the municipality has transferred shall also maintain and honor any agreements, contracts or policies regarding the rights and benefits of retirees and former employees of the regional school unit from which the municipality has transferred.

(a) Teachers or other employees whose employment terminates by application of law or contract or by action of the regional school unit before the effective date of the transfer of the municipality may not be transferred or continued.

(b) Teachers and other employees who are transferred from one regional school unit to another regional school unit prior to the completion of the applicable probationary period for their position have the length of their probationary period calculated from the date of their most recent date of employment by the regional school unit from which the municipality has transferred.

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.

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

3. Outstanding indebtedness. Whenever a municipality, or a part of a municipality, is detached from a regional school unit having outstanding indebtedness, the municipality or part of a municipality remains as part of the regional school unit from which it was detached for the purposes of paying its proper portion of the indebtedness until the indebtedness is redeemed. The municipality or part of a municipality is not part of the

1 regional school unit from which it was detached for the purpose of any outstanding
 2 indebtedness incurred subsequent to the date of the certificate of transfer.

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

12 **§1519. State board review of commissioner's decisions**

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

17 **§1520. Rules**

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

21 **Sec. A-17. 20-A MRSA §1701-C**, as enacted by PL 2007, c. 240, Pt. XXXX,
 22 §16, is amended to read:

23 **§1701-C. Mandatory budget validation and cost center summary budget form**

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

29 **Sec. A-18. 20-A MRSA §2303**, as amended by PL 1987, c. 737, Pt. C, §§52 and
 30 106 and PL 1989, c. 6; c. 9, §2; and c. 104, Pt. C, §§8 and 10, is further amended to read:

31 **§2303. Additional school committee members**

32 Notwithstanding section 2302, a municipality may vote at its annual meeting to have
 33 5 up to 7 members on the school committee.

34 **1. Vote.** The municipality may vote to ~~have a 5-member board~~ expand its school
 35 committee at:

36 A. Its annual meeting; or

37 B. ~~At a~~ A special town meeting held at least 30 days before the annual meeting, if a
 38 municipality has accepted Title 30-A, section 2528, relative to secret ballot.

1 **2. Election of additional members.** The municipality may, at its annual meeting,
 2 elect by ballot 3 additional school committee members to serve with the 2 members
 3 whose terms have not expired.

4 **Sec. A-19. 20-A MRSA §2307**, as enacted by PL 2007, c. 240, Pt. XXXX, §21, is
 5 amended to read:

6 **§2307. School budgets**

7 Notwithstanding any other law, municipal school budgets developed after January 1,
 8 2008 must follow the same school budget requirements as regional school units pursuant
 9 to chapter 103-A, except as described in subsections 1 and 2. A municipal school unit is
 10 deemed to be a regional school unit solely for the purpose of developing a budget
 11 pursuant to chapter 103-A.

12 **1. Budget meeting.** In charter municipalities the budget meeting required by section
 13 1485, subsection 3 must be a meeting of the municipal council or other municipal
 14 legislative body established by the charter with authority to approve the budget.

15 **2. Municipal charter.** In charter municipalities where the municipal charter confers
 16 upon a municipal council or other municipal legislative body the authority to determine
 17 the total amount of the school budget and confers upon the school committee or school
 18 board the authority to direct the expenditure of those funds for school purposes, the
 19 municipal council or other municipal legislative body shall determine the total amount of
 20 the school budget to be submitted to a budget validation referendum and the school
 21 committee or school board shall determine the allocation of the approved school budget
 22 among the cost centers of the cost center summary budget format.

23 **Sec. A-20. 20-A MRSA §5203, sub-§4**, as enacted by PL 1981, c. 693, §§5 and
 24 8, is repealed and the following enacted in its place:

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

29 **Sec. A-21. 20-A MRSA §5204, sub-§4**, as amended by PL 1985, c. 797, §32, is
 30 further amended to read:

31 **4. No secondary school.** ~~Secondary students whose parents reside in a A school~~
 32 ~~administrative unit which that~~ neither maintains a secondary school nor contracts for
 33 secondary school privileges ~~may attend a private school approved for tuition purposes, a~~
 34 ~~public school in an adjoining unit which accepts tuition students, or a school approved for~~
 35 ~~tuition purposes in another state or country upon permission of officials of the receiving~~
 36 ~~school. The school administrative unit where the students' parents reside shall pay tuition~~
 37 ~~in the amount up to the legal tuition rate as defined in chapter 219 pursuant to chapter 115~~
 38 ~~shall pay the tuition, in accordance with chapter 219, at the public school or the approved~~
 39 ~~private school of the parent's choice at which the student is accepted.~~

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

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

3 **Sec. A-23. 20-A MRSA §6051, sub-§4**, as amended by PL 2005, c. 683, Pt. A,
4 §25, is further amended to read:

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

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

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

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

15 **Sec. A-24. 20-A MRSA §6051, sub-§6**, as enacted by PL 2001, c. 344, §9, is
16 amended to read:

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

19 A. A copy of the audit report;

20 B. Accountability of all revenues and expenditures;

21 C. Written assurance that the audit has been conducted in accordance with
22 applicable state and federal laws relating to financial and compliance audits; and

23 D. Any other information that the commissioner may require.

24 **Sec. A-25. 20-A MRSA §15688, sub-§3-A, ¶B-1**, as enacted by PL 2007, c.
25 240, Pt. XXXX, §30, is repealed.

26 **Sec. A-26. 20-A MRSA §15688, sub-§3-A, ¶C**, as amended by PL 2007, c.
27 240, Pt. XXXX, §30, is further amended to read:

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

31 (1) The total cost as described in subsection 1; and

32 (2) The sum of the totals calculated for each member municipality pursuant to
33 paragraph B, subparagraph (2), ~~plus the total calculated pursuant to paragraph B-~~
34 ~~1 if applicable.~~

35 **Sec. A-27. 20-A MRSA §15689, sub-§1-B** is enacted to read:

36 **1-B. Adjustments to state contributions to member municipalities in regional**
37 **school units.** The minimum state allocation provisions of subsection 1, paragraph B are
38 **applicable for each case in which the school administrative units in existence prior to the**

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operational date of the new regional school unit received an adjustment under subsection 1, paragraph B for fiscal year 2007-08 or fiscal year 2008-09. For each regional school unit eligible under this subsection, the minimum state allocation provisions of subsection 1, paragraph B are applicable for each member municipality that was a member of the eligible school administrative units in existence prior to the operational date of the new regional school unit.

Sec. A-28. PL 2007, c. 240, Pt. XXXX, §36, sub-§6, ¶A is amended to read:

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

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

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

In addition to the exceptions provided in this paragraph to the requirement that a unit serve at least 1,200 students, the commissioner must lower the 1,200-student requirement for previous education units as defined in the Maine Revised Statutes, Title 20-A, section 1, subsection 20-A in which the commissioner finds that a population density of less than 50 residents per square mile makes a 1,200-student unit impractical.

Sec. A-29. PL 2007, c. 240, Pt. XXXX, §36, sub-§6, ¶A-1 is enacted to read:

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

- (1) The proposed regional school unit comprises 3 or more school administrative units in existence prior to July 1, 2008;

(2) The member municipalities of the proposed regional school unit are surrounded by approved regional school units and there are no other school administrative units available to join the proposed regional school unit; or

(3) The member municipalities of the proposed regional school unit include 2 or more isolated small schools that are eligible for an isolated small school adjustment pursuant to the Maine Revised Statutes, Title 20-A, section 15683, subsection 1, paragraph F.

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

Sec. A-30. Withdrawal of municipality from proposed regional school unit. Notwithstanding the Maine Revised Statutes, Title 20-A, section 1517, the residents of a municipality that is part of a school administrative unit may use the procedures set forth in Title 20-A, section 1517 to withdraw from a proposed regional school unit prior to the formation of the regional school unit.

Sec. A-31. Retroactivity. Those sections of this Part that amend the Maine Revised Statutes, Title 20-A, sections 1305-C, 1701-C and 2307 apply retroactively to January 1, 2008.

PART B

Sec. B-1. PL 2007, c. 240, Pt. XXXX, §36, sub-§11 is amended to read:

11. Result of disapproval at January 2008 referendum. A school administrative unit that rejects a proposed reorganization plan at the January 15, 2008 referendum or at a subsequent referendum on or before ~~November 4, 2008~~ January 15, 2009 may restart the process to form a regional school unit with the same or other school administrative units and may seek assistance from the Department of Education to prepare another reorganization plan.

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

B. The penalties set forth in Title 20-A, section 15696 apply to any school administrative unit that fails to approve a reorganization plan on or before ~~November 4, 2008~~ January 15, 2009 and to implement that plan by July 1, 2009.

Sec. B-2. PL 2007, c. 240, Pt. XXXX, §36, sub-§12 is amended to read:

12. Reformulation of SAD as RSU. Not later than ~~December 1, 2008~~ February 15, 2009, the Commissioner of Education shall notify any school administrative district that has not voted to form a regional school unit on or before ~~November 4, 2008~~ January 15, 2009 that the school administrative district must be recreated as a regional school unit under Title 20-A, chapter 103-A, effective July 1, 2009. Notwithstanding any other provision of law, a school administrative district may be changed to a regional school unit upon notice to the State Board of Education without dissolving the school administrative district.

1 **Sec. B-3. PL 2007, c. 240, Pt. XXXX, §42, first ¶** is amended to read:

2 **Sec. XXXX-42. Transfer of property and assets; regional school units**
3 **approved after January 15, 2008.** This section applies to a regional school unit that
4 is approved after January 15, 2008 and before ~~November 5, 2008~~ January 16, 2009.

5 **Sec. B-4. PL 2007, c. 240, Pt. XXXX, §43** is amended to read:

6 **Sec. XXXX-43. Operational date and transfer of authority.**

7 **1. Operational date.** A regional school unit board of directors becomes operational
8 on the date set by the State Board of Education as provided in the Maine Revised
9 Statutes, Title 20-A, chapter 103-A.

10 **2. Transfer of governing authority; regional school units approved prior to**
11 **January 16, 2008.** This subsection applies to regional school units approved prior to
12 January 16, 2008. The regional school unit board of directors, on the date established in
13 subsection 1, shall assume responsibility for the management and control of the public
14 schools and programs within the school administrative units in existence prior to July 1,
15 2008 that are within the regional school unit. Those school administrative units in
16 existence prior to July 1, 2008, on the date established in subsection 1, have no further
17 responsibility for the operation or control of the public schools and programs within the
18 school administrative unit except those pursuant to section 1481.

19 **3. Transfer of governing authority; regional school units approved after**
20 **January 15, 2008.** This subsection applies to regional school units approved after
21 January 15, 2008 and before ~~November 5, 2008~~ January 16, 2009. The regional school
22 unit board of directors, on the date established in subsection 1, shall assume responsibility
23 for the management and control of the public schools and programs within the school
24 administrative units in existence prior to July 1, 2009 that are within the regional school
25 unit. Those school administrative units in existence prior to July 1, 2009, on the date
26 established in subsection 1, have no further responsibility for the operation or control of
27 the public schools and programs within the school administrative unit except those
28 pursuant to section 1481.

29 **4. Transfer of school accounts.** Notwithstanding Title 20-A, section 15004 or any
30 charter of a municipal school unit, school administrative district or community school
31 district, the balance remaining in the school accounts of the former municipal school unit,
32 school administrative district or community school district within the regional school unit
33 must be paid to the treasurer of the regional school unit and verified through the annual
34 audit process pursuant to Title 20-A, chapter 221, subchapter 2. The balance from each of
35 the former municipal school unit, school administrative district or community school
36 district must be used to reduce that unit's or district's local contribution to the regional
37 school unit. Payment may be made in equal monthly installments during the
38 implementation year.

39 **5. Transfer of teachers and employees.** Except as limited by paragraph A, for
40 regional school units approved prior to January 16, 2008, all teachers and school
41 employees who are employed by a participating school administrative unit on June 30,
42 2008 must be transferred to and employed by the regional school unit as of July 1, 2008.
43 Except as limited by paragraph A, for regional school units approved after January 15,

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1 2008 and before ~~November 5, 2008~~ January 16, 2009, all teachers and school employees
 2 who are employed by participating school administrative units on June 30, 2009 must be
 3 transferred and employed by the regional school unit as of July 1, 2009. Except as
 4 limited by paragraph B, the regional school unit shall assume all of the legal obligations
 5 and duties that the participating school administrative units owed to their employees,
 6 including but not limited to those obligations and duties arising under federal law, state
 7 law, collective bargaining agreements and individual employment contracts. It is the
 8 intent of this Part to neither decrease nor increase the rights and benefits of transferred
 9 employees or the employer. The regional school unit shall also maintain and honor any
 10 agreements, contracts or policies regarding the rights and benefits of retirees and former
 11 employees created by a participating school administrative unit that is dissolved as a
 12 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~~ January 16, 2009, teachers or other employees whose employment
 18 terminates by application of law or contract or by action of a participating school
 19 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 **6. Collective bargaining.** The following provisions apply:

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~~ January 16, 2009, the regional school unit board of directors shall
 28 assume all of the obligations, duties, liabilities and rights of the participating school
 29 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.

1 B. As early as possible but no later than August 31, 2011 for regional school units
2 approved prior to January 15, 2008 and no later than August 31, 2012 for regional
3 school units approved after January 15, 2008 and before ~~November 2, 2008~~ January
4 16, 2009, all bargaining units must be structured on a regional school unit-wide basis.
5 Bargaining units that existed in the participating school administrative units shall
6 merge in accordance with the procedures and criteria in this section. Merger into
7 regional school unit-wide bargaining units is not subject to approval or disapproval of
8 employees.

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

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

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

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

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

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

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

43 (6) Where there are bargaining units that will be merged into a regional school
44 unit-wide bargaining unit in which there are employees who are not represented

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

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

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

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

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

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

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

41 (e) The Maine Labor Relations Board shall expedite to the extent practicable
42 all petitions for determination of the bargaining agent in the regional school
43 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.

C. After the merger of bargaining units into a regional school unit-wide bargaining unit, the bargaining agent of a regional school unit-wide bargaining unit and the regional school unit shall engage in collective bargaining for a collective bargaining agreement for the regional school unit-wide bargaining unit. In the collective bargaining agreement for each regional school unit-wide bargaining unit, the employment relations, policies, practices, salary schedules, hours and working conditions throughout the regional school unit must be made uniform and consistent as soon as practicable.

(1) In the event that the parties are unable to agree upon an initial regional school unit-wide collective bargaining agreement, they must use the dispute resolution procedures pursuant to Title 26, section 965 to resolve their differences.

7. Superintendent contracts. The contracts between the superintendents and school administrative units within the regional school unit are transferred to the regional school unit board of directors. The regional school unit board of directors shall determine the superintendents' duties within the regional school unit.

PART C

Sec. C-1. 20-A MRSA §1, sub-§16-A is enacted to read:

16-A. Local education unit. "Local education unit" means a state-approved unit of school governance responsible for operating or constructing public schools, but is not responsible for administration of public schools, that is a member of a regional school union. A local education unit is a school administrative unit for all purposes except the core functions identified in section 2001 and any additional functions delegated to the regional school union committee as authorized in section 2001.

Sec. C-2. 20-A MRSA §1, sub-§24, as enacted by PL 1981, c. 693, §§5 and 8, is amended to read:

24. Public school. "Public school" means a school that is governed by a school board of a school administrative unit or local education unit and funded primarily with public funds.

Sec. C-3. 20-A MRSA §1, sub-§24-B, as enacted by PL 2007, c. 240, Pt. XXXX, §3, is amended to read:

24-B. Regional school unit. "Regional school unit" means ~~the~~ a state-approved unit of school administration as established pursuant to chapter 103-A.

Sec. C-4. 20-A MRSA §1, sub-§24-D is enacted to read:

24-D. Regional school union. "Regional school union" means a state-approved unit of school administration composed of local education units as established pursuant to chapter 108.

Sec. C-5. 20-A MRSA §1, sub-§24-E is enacted to read:

24-E. Regional school union committee. "Regional school union committee" means the governing body with statutory powers and duties for a regional school union.

Sec. C-6. 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, regional school union 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 and a regional school union ~~formed pursuant to chapter 108.~~

Sec. C-7. 20-A MRSA §1, sub-§28, as enacted by PL 1981, c. 693, §§5 and 8, is amended to read:

28. School board. "School board" means the governing body with statutory powers and duties for a school administrative unit or a local education unit.

Sec. C-8. 20-A MRSA §1, sub-§29, as enacted by PL 1981, c. 693, §§5 and 8, is amended to read:

29. School committee. "School committee" means the governing body with statutory powers and duties for a municipal school unit or a municipal local education unit.

Sec. C-9, 20-A MRSA c. 108 is enacted to read:

CHAPTER 108

REGIONAL SCHOOL UNIONS

SUBCHAPTER 1

GENERAL PROVISIONS

§2001. Regional school union

1. Formation. A regional school union composed of school administrative units may be formed pursuant to a reorganization plan. A municipal school unit, a school administrative district, a community school district or any other municipal or quasi-municipal corporation responsible for operating or constructing public schools, except a career and technical education region, may be a local education unit within a regional school union.

1 **2. Laws governing local education units.** Except as otherwise provided in this
2 chapter, a local education unit that is part of a regional school union is subject to the laws
3 set forth in this Title governing that local education unit, including but not limited to laws
4 governing budget format and budget adoption procedures.

5 **3. Regional school union committee.** The governing body of a regional school
6 union is the regional school union committee, which must be made up of representatives
7 from the school boards of member local education units and must be apportioned in
8 accordance with one-person, one-vote principles.

9 **4. Core functions.** The regional school union committee's core functions, which
10 may not be delegated to a local education unit except as provided in this subsection, are:

11 A. Employment and discharge of a superintendent pursuant to section 1001,
12 subsection 3 and chapter 101, subchapter 2;

13 B. Administration of accounting, payroll, financial management, purchasing
14 insurance and auditing;

15 C. Administration of special education duties of local education units under chapter
16 303;

17 D. Administration of transportation;

18 E. Adoption of a core curriculum, standardized testing and assessment aligned with
19 the system of learning results established in section 6209;

20 F. Preparation of the regional school union budget;

21 G. Reporting required by state or federal law, rule or regulation;

22 H. Functioning as the employer of all employees performing the core functions and
23 performance of any additional functions delegated to the regional school union;

24 I. The establishment of a common school calendar, except that local education units
25 may adopt local variations from the regional school union calendar;

26 J. Adoption of common policies for all schools in the regional school union pursuant
27 to section 1001, subsection 1-A, except that the local education units may adopt local
28 variations from the regional school union policies; and

29 K. Apportionment of costs of the regional school union among its local education
30 units in accordance with a cost-sharing formula established by its approved
31 reorganization plan and certification to the treasurer of each local education unit and
32 to the commissioner of the amounts to be paid.

33 **5. Delegation of additional functions.** A reorganization plan or the legislative
34 bodies of the local education units in a regional school union may delegate functions in
35 addition to those set out in subsection 4 to the regional school union committee.

36 **6. Title to property.** A reorganization plan may provide that title to real and
37 personal property in local education units may be either transferred to the regional school
38 union or retained by the local education unit, as long as the plan clearly allocates the
39 responsibilities for the management of school property under section 1001, subsection 2

1 between the regional school union committee and the school board of the local education
2 unit.

3 **§2002. Regional school union committee**

4 **1. Formation.** In accordance with an approved reorganization plan, the school
5 boards of the local education units composing a regional school union shall form a
6 regional school union committee. The school board of a local education unit in a regional
7 school union shall designate one or more of its members to serve on the regional school
8 union committee as provided in the reorganization plan.

9 **2. Term of office.** The term of office of regional school union committee members
10 must be determined by the approved reorganization plan.

11 **3. Compensation.** Compensation for attendance at a regional school union
12 committee meeting must be between \$10 and \$25 per meeting for each member.
13 Whenever the committee members recommend increasing their compensation, they shall
14 submit their recommendation to the voters in the regional school union for approval.

15 **A.** On notification by the regional school union committee, the municipal officers
16 shall, at the next regular or special town meeting or city election, prepare a warrant or
17 ballot for the purpose of voting on the proposed increase. The question must be in the
18 following form.

19 "Do you favor paying a member of the regional school union committee
20 compensation at the rate of \$..... for each meeting that member attends?"

21 **B.** An increase in compensation is not effective unless approved by a majority of the
22 voters voting on the question set out in paragraph A.

23 **4. Secretary and treasurer.** The superintendent serves as secretary and treasurer of
24 the regional school union committee and shall give a bond to the regional school union
25 committee of a sum and with the sureties as the regional school union determines. The
26 bond must be deposited with the chair of the regional school union committee. The
27 expense of that bond must be paid by the regional school union. The bond premium,
28 compensation paid committee members for attendance at meetings and expenses of the
29 regional school union must be paid from funds of the regional school union by the
30 treasurer on vouchers presented and certified by the superintendent and approved by a
31 majority of the regional school union committee or a finance committee duly elected
32 annually by that committee. Notwithstanding section 1055, a superintendent of a regional
33 school union may designate another person with State of Maine administrative
34 certification to perform the duties of secretary of the school board of a local education
35 unit.

36 **5. Oath of office.** Before a newly elected member's first regional school union
37 committee meeting, that member must take the following oath or affirmation before a
38 dedimus justice or notary public.

39 "I do swear that I will faithfully discharge to the best of my abilities the
40 duties incumbent on me as a regional school union committee member of (name of
41 regional school union) according to the Constitution of Maine and laws of this State, so
42 help me God."

1 A. A member shall take the oath or affirmation and return a certificate documenting
 2 that the oath or affirmation has been taken to the secretary of the regional school
 3 union committee to place in the regional school union committee records.

4 B. If a member is conscientiously scrupulous of taking an oath, the word "affirm"
 5 may be used instead of "swear" and the words "this I do under the pains and penalty
 6 of perjury" may be used instead of the words "so help me God."

7 6. Election of officers. The regional school union committee shall elect a chair and
 8 vice-chair and other officers as may be necessary.

9 **§2003. Methods of apportionment**

10 1. Method B: weighted votes. Under the method of representation referred to as
 11 "Method B," members cast weighted votes.

12 A. The reapportionment committee under section 2024 shall apportion 1,000 votes
 13 among all the members of the committee. The ratio of the number of votes cast by the
 14 members representing a school administrative unit or municipality in relation to the
 15 number 1,000 must be the same ratio to the nearest whole number as the population
 16 of the school administrative unit or municipality is in relation to the population of all
 17 the school administrative units and municipalities in the regional school union, as
 18 determined by the latest Federal Decennial Census or Federal Estimated Census.

19 B. To ensure the use of whole numbers, the 1,000 votes apportioned among the
 20 committee members may not be increased or decreased by more than 5 votes.

21 C. A plan may not permit the voting power of any member to exceed by more than
 22 5% the percentage of voting power the member would have if all 1,000 votes were
 23 apportioned equally among the members.

24 D. For a local education unit represented by 2 or more members, the votes cast by
 25 them must be divided equally among them.

26 2. Method D: other. Under the method of representation referred to as "Method D,"
 27 members are selected by any method other than that set forth in subsection 1 that meets
 28 the requirements of the one-person, one-vote principle.

29 **§2004. Appropriation for regional school union expenses**

30 Local education units shall appropriate for regional school union expenses their share
 31 of the costs of the regional school union in accordance with a cost-sharing formula
 32 established by its approved reorganization plan. The proportion to be paid by a local
 33 education unit must be paid out of the appropriation made for the support or maintenance
 34 of public schools.

35 **§2005. Rules**

36 The state board may adopt rules to carry out this chapter. Rules adopted under this
 37 section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

38 **SUBCHAPTER 2**

FORMATION OF REGIONAL SCHOOL UNION**§2011. Formation of a regional school union; reorganization planning and approval**

The residents of 2 or more school administrative units may form a regional school union that is a body politic and corporate pursuant to this section.

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

2. Reorganization planning committee. The school administrative units that intend to engage in planning and negotiation to create a regional school union shall form a reorganization planning committee.

A. For each proposed regional school union, the commissioner shall provide guidelines for the formation of a reorganization planning committee including representation from the school administrative units included in the notice of intent, member municipalities and members of the general public who are residents of the proposed regional school union. The guidelines must include roles and responsibilities of the committee, timelines for submission of the plan, the format for reporting the reorganization plan and evaluation criteria for approval of the plan.

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

3. Submission of plans. Each school administrative unit shall submit to the commissioner its proposed reorganization plan for consolidation into a regional school union that meets the requirements of paragraphs A and B.

A. A reorganization plan must include:

(1) The local education units to be included in the proposed reorganized regional school union;

(2) The size, composition and apportionment of the governing body;

(3) The method of voting of the governing body;

(4) The powers and duties of the regional school union;

(5) The disposition of real and personal school property;

(6) The disposition of existing school indebtedness and lease-purchase obligations;

(7) The assignment of school personnel contracts, school collective bargaining agreements and other school contractual obligations;

1 (8) The disposition of existing school funds and existing financial obligations,
2 including undesignated fund balances, trust funds, reserve funds and other funds
3 appropriated for school purposes;

4 (9) A transition plan that addresses the development of a budget for the first
5 school year of the regional school union and interim personnel policies;

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

8 (11) An explanation of how units that approve the reorganization plan will
9 proceed if one or more of the proposed members of the regional school union fail
10 to approve the plan;

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

13 (13) A method of sharing regional school union costs among its member local
14 education units and a process of amending the cost-sharing formula; and

15 (14) Such other matters as the governing bodies of the school administrative
16 units in existence on the effective date of this chapter may determine to be
17 necessary.

18 B. In order for the plan to be approved by the commissioner, the governing bodies of
19 school administrative units must work within the parameters set out in this paragraph.

20 (1) The proposed regional school union must serve not fewer than 2,500
21 students, except when circumstances relating to the following factors justify an
22 exception:

23 (a) Geography, including physical proximity and the size of the current
24 school administrative units;

25 (b) Demographics, including student enrollment trends and the composition
26 and nature of communities in the regional school union;

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

29 (d) Transportation;

30 (e) Population density; or

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

35 (2) When circumstances justify an exception to the size requirement of 2,500
36 students set forth in subparagraph (1), the regional school union must serve as
37 close to 2,500 students as possible and, except for coastal islands and schools
38 operated by tribal school committees, it may not serve fewer than 1,200 students,

except that, the commissioner may authorize a regional school union to serve fewer than 1,200 students but not less than 1,000 students in isolated rural communities if the proposed regional school union meets one of the following criteria:

(a) The proposed regional school union comprises 3 or more school administrative units in existence prior to July 1, 2008;

(b) The member local education units of the proposed regional school union are surrounded by approved regional school units and there are no other school administrative units available to join the proposed regional school union; or

(c) The member local education units of the proposed regional school union include 2 or more isolated small schools that are eligible for an isolated small school adjustment pursuant to section 15683, subsection 1, paragraph F.

In cases in which the commissioner denies the creation of a regional school union that has fewer than 1,200 but more than 1,000 students, the school administrative units may appeal to the state board.

(3) The plan must provide for a core curriculum for all students from kindergarten to grade 12 and must include at least one publicly supported secondary school.

(4) The plan must include provisions for implementing section 2002.

(5) The plan may not displace teachers or students or close any schools existing and operating during the school year immediately preceding reorganization.

4. Review and approval of plans. If the commissioner finds that a plan for reorganization meets the requirements of this chapter, the commissioner shall notify the municipalities and school administrative units, and they shall proceed with referendum as set out in subsections 5 and 6.

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

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

Yes No"

The following statement must accompany the article:

"Explanation:

1 A "YES" vote means that you approve of the (municipality or school administrative
 2 unit) joining the proposed regional school union, which will be provided with the
 3 following incentives:

4 More favorable consideration in approval and funding of school construction
 5 projects; and

6 Eligibility for additional financial support for reorganization costs.

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

10 Less favorable consideration in approval and funding of school construction projects;
 11 and

12 A reduction in state funding of education costs in an amount estimated to be
 13 \$..... for school year 20.... and \$..... for school year 20...., with ongoing
 14 penalties for continued failure to join an approved regional school union. Reductions
 15 in state education funding will result in an increased mill rate expectation to meet the
 16 local share of education costs."

17 **6. Results of referendum.** Each school administrative unit shall report the results of
 18 the referendum to the department following the referendum election.

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

22 B. A reorganization plan is approved by the member municipalities of a community
 23 school district that does not provide public education for the entire span of
 24 kindergarten to grade 12 if the majority of votes cast in the member municipalities is
 25 in favor of approval of the plan. Approval results in all member municipalities
 26 joining the regional school union.

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

30 If a reorganization plan is approved by all of the affected school administrative units, or
 31 by the school administrative units considered sufficient under the proposed reorganization
 32 plan, the commissioner shall file notice of approval of the regional school union with the
 33 state board.

34 **7. Certificate of organization.** If a plan or revised plan for reorganization has been
 35 approved by the commissioner and approved by voters at the referendum, the state board
 36 shall issue a certificate of organization to the school administrative units that are
 37 reorganized into a regional school union.

38 **§2012. Transitional powers and duties of the regional school union committee**

39 Within 30 days of the issuance of a certificate of organization for the regional school
 40 union by the state board, the school boards of the local education units shall appoint
 41 members of the regional school union committee in accordance with the approved

1 reorganization plan. As used in this section, unless the context otherwise indicates,
 2 "regional school union committee" means the initial regional school union committee
 3 appointed pursuant to section 2002. From the time of appointment of the regional school
 4 union committee to July 1st of the regional school union's first operational year, the
 5 regional school union committee shall establish interim rules of procedure and shall elect
 6 officers who shall serve until officers are elected at a meeting following the operational
 7 date of the regional school union. The regional school union committee's powers and
 8 duties during this period are governed by this section.

9 **1. Selection of superintendent.** The regional school union committee shall select a
 10 superintendent for the regional school union in accordance with section 1051 to carry out
 11 the duties specified in section 1055. During the interim period, the salary, office and
 12 other expenses of the superintendent, as well as the costs of the regional school union
 13 committee, including insurance, must be allocated to the local education units by the cost-
 14 sharing formula included in the reorganization plan for the regional school union.

15 **2. Budget preparation and approval.** The regional school union committee shall
 16 prepare the annual budget for the first operational year of the regional school union in
 17 accordance with section 2001. Specific duties may be assigned to existing personnel with
 18 the approval of the employing school administrative unit. The regional school union
 19 committee shall complete the budget development process and approve a regional school
 20 union budget. The budget format and assessments for the regional school union's first
 21 operational year budget must be in accordance with this chapter.

22 **3. Authorization.** The regional school union committee is authorized to take all
 23 other actions provided under state law to prepare the regional school union to become
 24 operational on July 1st for the first operational year, including the authority to open and
 25 maintain accounts, to incur expenses to be allocated among the regional school union's
 26 member local education units in accordance with the reorganization plan for the regional
 27 school union and to file applications for school construction projects and revolving
 28 renovation fund loans and other available funding.

29 **4. Fiscal agent.** The regional school union committee is authorized to expend start-
 30 up funds for the regional school union. A local education unit within the regional school
 31 union may serve as a fiscal agent and may expend any start-up funds on behalf of the new
 32 regional school union prior to the regional school union's operational date without calling
 33 for a special meeting of the local legislative body.

34 **§2013. Transfer of property and assets**

35 Upon the formation of a regional school union pursuant to this subchapter, the
 36 transfer of school property and assets is governed by this section.

37 **1. Regional school union committee.** Except as otherwise provided in a
 38 reorganization plan, a regional school union committee established in this chapter shall
 39 determine what school property of the municipal school units in existence prior to the
 40 operational date of the new regional school union and of the school administrative units
 41 in existence prior to the operational date of the new regional school union is necessary to
 42 carry out the functions of the regional school union and shall request in writing that the
 43 school board of each such school administrative unit or the municipal officers transfer
 44 title of their school property and buildings to the regional school union committee.

1 **2. Transfer.** The municipal officers and school boards contacted pursuant to
2 subsection 1 shall make the transfer of property and assets notwithstanding any other
3 provision in the charter of the school administrative unit or municipality.

4 **§2014. Operational date and transfer of authority**

5 **1. Operational date.** A regional school union committee becomes operational on
6 the date set by the state board as provided in this chapter.

7 **2. Transfer of governing authority.** The regional school union committee, on the
8 date established pursuant to subsection 1, shall assume responsibility for the governance
9 of the regional school union.

10 **3. Transfer employees.** Except as limited by paragraph A, all school employees
11 who are employed by a school union whose members become local education units
12 within the regional school union and employees of a school administrative unit
13 performing the core functions and any delegated functions of a regional school union as
14 identified in the reorganization plan on the day prior to the date established pursuant to
15 subsection 1 must be transferred to and employed by the regional school union as of the
16 date established pursuant to subsection 1. Those employees not transferred to the
17 regional school union continue to be employed by the local education units under the
18 same terms and conditions under which they were employed prior to the operational date.
19 The regional school union shall assume all of the legal obligations and duties that the
20 participating school administrative units owed to the transferred employees, including but
21 not limited to those obligations and duties arising under federal law, state law, collective
22 bargaining agreements and individual employment contracts. It is the intent of this
23 chapter to neither decrease nor increase the rights and benefits of transferred employees,
24 the employees employed by the local education units or the employer.

25 **A.** Employees whose employment terminates by application of law or contract or by
26 action of a participating school administrative unit before the date in subsection 1
27 may not be transferred.

28 **B.** Teachers and other employees who are transferred to the regional school union
29 prior to the completion of the applicable probationary period for their position have
30 the length of their probationary period calculated from the date of their most recent
31 date of employment by the participating school administrative unit.

32 **4. Superintendent contracts.** The contracts between the superintendents and any
33 school union whose members become local education units within the regional school
34 union and school administrative units that become local education units within the
35 regional school union are transferred on the date established pursuant to subsection 1 to
36 the regional school union committee. The regional school union committee shall
37 determine the superintendents' duties within the regional school unit.

38 **§2015. Addition of a school administrative unit to an existing regional school union**

39 A school administrative unit not originally a member of a regional school union may
40 be included in the regional school union in accordance with this section.

41 **1. Notice of intent.** A school administrative unit shall file with the commissioner a
42 notice of intent to engage in planning and negotiations to join with a regional school

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1 union under this chapter. The commissioner shall respond to each notice of intent and
2 provide information regarding the process and whether the intended action complies with
3 the requirements of this chapter.

4 **2. Process to join a regional school union.** A school administrative unit may join
5 an existing regional school union in the same manner required for the formation of a
6 regional school union under section 2011, except that section 2011, subsections 5, 6 and 7
7 do not apply.

8 **3. Referendum for a school administrative unit to join an existing regional**
9 **school union.** The municipal officers of each municipality in a school administrative unit
10 proposing to join a regional school union shall place a warrant article substantially as
11 follows on the ballot of a municipal referendum in accordance with the referendum
12 procedures applicable to the school administrative unit of which the municipality is a
13 member.

14 "Article: Do you favor approving the school reorganization plan prepared by the
15 (insert name) Reorganization Planning Committee for school administrative unit
16 (insert name of affected school administrative unit) to join the regional school union
17 (insert name of regional school union), with an effective date of (insert date)?

18 Yes No"

19 The following statement must accompany the article:

20 "Explanation:

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

25 **4. Referendum on the admission of an additional school administrative unit to**
26 **an existing regional school union.** If the vote to join a regional school union under
27 subsection 3 was in the affirmative, the existing regional school union shall call a
28 regional school union referendum to vote on the following article.

29 "Article: Do you favor approving the school reorganization plan prepared by the
30 (insert name) Reorganization Planning Committee for school administrative unit
31 (insert name of affected school administrative unit) to join the regional school union
32 (insert name of regional school union), with an effective date of (insert date)?

33 Yes No"

34 The following statement must accompany the article:

35 "Explanation:

36 A "YES" vote means that you approve of the (insert name of municipality or school
37 administrative unit) joining the proposed regional school union. The financial
38 penalties under the Maine Revised Statutes, Title 20-A, section 15696 will no longer
39 apply to the existing school administrative unit."

40 The referendum must be conducted in accordance with the referendum procedures
41 applicable to regional school units, except that the duties of the regional school unit board
42 must be performed by the regional school union committee.

5. Results of referendum. A school administrative unit shall report the results of the referendum to the department following the referendum election.

A. For a referendum conducted pursuant to subsection 3:

(1) A reorganization plan is approved by a kindergarten to grade 12 school administrative district or kindergarten to grade 12 community school district if the majority of votes cast in the district is in favor of approval of the plan;

(2) A reorganization plan is approved by a regional school union if the majority of votes cast in the regional school union is in favor of approval of the plan;

(3) A reorganization plan is approved by the member municipalities of a community school district that does not provide public education for the entire span of kindergarten to grade 12 if the majority of votes cast in the member municipalities is in favor of approval of the plan. Approval results in all member municipalities joining the regional school union; and

(4) A municipal school unit, including a municipal school unit that is a member of a school union, approves a reorganization plan if the majority of the votes cast in that municipality is in favor of approval of the plan.

B. For a referendum conducted pursuant to subsection 4, a reorganization plan is approved by a regional school union if the majority of votes cast in the regional school union is in favor of approval of the plan.

If a reorganization plan is approved by the affected school administrative unit, the commissioner shall file notice of approval with the state board.

6. Amended certificate of organization. If a plan for reorganization has been approved by the commissioner and approved by voters at the referendum under subsections 3 and 4, the state board shall issue an amended certificate of organization to the reorganized regional school union.

SUBCHAPTER 3

REGIONAL SCHOOL UNION GOVERNANCE

§2021. Powers and duties

The regional school union committee:

1. Regional school union name. May select an unofficial name for the regional school union;

2. Finance committee. May elect a finance committee of 3 or more members, who must be regional school union committee members;

3. Bylaws. Shall adopt bylaws for the regulation of the affairs of the regional school union committee and the conduct of its business; and

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1 4. Gifts. May accept and receive money or other property, outright or in trust, for
 2 any specified benevolent or educational purpose. The regional school union committee
 3 shall comply with this subsection in accepting gifts.

4 A. If the regional school union committee receives written notice from a prospective
 5 donor or a representative of the donor of a proposed gift, the regional school union
 6 committee shall submit the matter to its next regular meeting or shall call a special
 7 meeting and shall, within 10 days after the meeting, send written notice to the
 8 prospective donor or representative of its acceptance or rejection.

9 B. If the gift is in trust, the regional school union committee shall cause the trust
 10 funds to be deposited or invested according to Title 30-A, chapter 223, subchapter 3-
 11 A.

12 (1) Unless prohibited by a trust instrument, the regional school union may treat
 13 any 2 or more trust funds as a single fund for the purposes of investment.

14 (2) After deduction for management expenses, any interest earned or capital
 15 gains realized must be prorated among the various trust funds.

16 (3) Property or securities included in the corpus of a trust fund must be retained
 17 where the trust instrument so provides.

18 (4) Unless otherwise specified in the trust instrument, only the annual income
 19 from the trust fund may be spent.

20 (5) If the regional school union fails to comply with the terms of the trust
 21 instrument, the trust fund is subject to reversion to the donor or the donor's heirs.

22 C. If the money or other property is a conditional gift for any specified benevolent or
 23 educational purpose, this paragraph applies.

24 (1) When the donor's part of the agreement respecting the execution of the
 25 conditional gift has been completed, the regional school union shall perpetually
 26 comply with, and may raise money to carry into effect, the conditions upon
 27 which it was made.

28 (2) Unless otherwise specified by its terms, a conditional gift of money must be
 29 deposited or invested according to Title 30-A, chapter 223, subchapter 3-A.

30 **§2022. Quorum**

31 A majority of the regional school union committee in number and voting power
 32 constitutes a quorum.

33 **§2023. Regional school union committee vacancies**

34 **1. Definition of vacancy.** A vacancy on a regional school union committee occurs:

35 A. When the term of office of a regional school union committee member expires;

36 B. When a regional school union committee member changes residency from the
 37 local education unit represented. Evidence that an individual is registered to vote in a

1 municipality in a local education unit is prima facie evidence of that individual's
2 residency;

3 C. On the death of a regional school union committee member; or

4 D. When a regional school union committee member resigns from the regional
5 school union committee or from the school board of the local education unit the
6 member represents.

7 In addition to paragraphs A, B, C and D, except in municipalities having a municipal
8 charter, when a committee member is absent without excuse from 3 consecutive regular
9 committee meetings, the regional school union committee may declare that a vacancy
10 exists.

11 **2. Regional school union committee.** The regional school union committee shall
12 notify the school board of the local education unit of a vacancy within 14 days after
13 receiving notice of the vacancy.

14 **3. Filling vacancies.** A vacancy on a regional school union committee must be filled
15 by the school board whose member vacated the regional school union committee seat
16 within 30 days after receiving notice of the vacancy.

17 **§2024. Reapportionment**

18 The commissioner shall determine the necessity for reapportionment.

19 **1. Duties of commissioner.** The commissioner shall determine if a regional school
20 union is apportioned in accordance with the one-person, one-vote principle if:

21 A. The commissioner receives a request by the regional school union committee; or

22 B. The commissioner receives a petition signed by a number of regional school
23 union voters equal to at least 10% of the voters in the regional school union who
24 voted in the last gubernatorial election.

25 In addition to a determination initiated by a request pursuant to paragraph A or a petition
26 pursuant to paragraph B, the commissioner may, of the commissioner's own accord,
27 determine that a regional school union is not apportioned according to the one-person,
28 one-vote principle.

29 The commissioner shall make a determination under paragraph A or B within 30 days of
30 receiving the request or the petition.

31 **2. Awaiting census results.** If the commissioner receives a request within 12
32 months before a Federal Decennial Census or Federal Estimated Census, the
33 commissioner may wait until after the new census figures are available to make a
34 determination under subsection 1.

35 **3. Findings and order.** If the commissioner finds the regional school union
36 representation is not apportioned in accordance with the one-person, one-vote principle,
37 the commissioner, within 7 days of that decision, shall notify the superintendent of the
38 regional school union of the finding and order the superintendent to notify the school
39 board in each local education unit in the regional school union and the regional school
40 union committee to create a reapportionment committee. The superintendent's notification
41 must include the commissioner's notification, the information provided pursuant to

1 subsection 6 and the time and place for the first meeting of the committee, which must be
2 held not later than 20 days after the notification.

3 **4. Reapportionment committee membership.** The reapportionment committee
4 consists of 2 members from each school board, chosen by the respective school boards.

5 **5. Quorum.** A majority of the reapportionment committee constitutes a quorum.

6 **6. Duties of commissioner.** The commissioner shall provide the superintendent of
7 the regional school union with the most recent Federal Decennial Census or Federal
8 Estimated Census figures for each local education unit in the regional school union and at
9 least one recommended apportionment plan.

10 **7. Duties of the reapportionment committee.** The reapportionment committee
11 shall:

12 A. Elect a chair and secretary and may adopt suitable rules of procedure;

13 B. Consider and by majority vote adopt a reapportionment plan including the method
14 of representation, total number of members and number of members representing
15 each local education unit; and

16 C. Within 90 days of the first meeting, send a report of its reapportionment plan to
17 the state board for approval. It may, within the 90-day limit, submit alternative plans
18 for apportionment.

19 **8. Commissioner approval.** The commissioner shall approve or disapprove the
20 reapportionment committee plan under subsection 7 within 30 days of receiving it.

21 **9. Failure to gain commissioner approval.** If a reapportionment plan has not been
22 adopted by the reapportionment committee or approved by the commissioner within the
23 time limits of subsection 7, the commissioner shall prepare a suitable plan.

24 **10. Putting the approved plan into effect.** On approval of a reapportionment plan,
25 the commissioner shall send a certified copy to the local education units and regional
26 school union committee. The original reapportionment plan must be retained in the
27 department files.

28 A. The reapportionment plan takes effect immediately upon approval. The
29 reapportionment committee shall determine the terms of the members to be elected at
30 the next annual municipal elections so as to comply with this chapter.

31 B. If the approved reapportionment plan requires a reduction of the number of
32 members to be elected in a municipality, the reduction must be achieved in
33 accordance with this paragraph.

34 (1) If possible, the reduction must be achieved by the voluntary resignation of
35 one or more of the members.

36 (2) If the reduction cannot be achieved in accordance with subparagraph (1), all
37 of the remaining existing members representing the local education unit shall
38 choose by lot which members' terms must terminate.

39 C. If the approved reapportionment plan requires that additional members be elected
40 in a local education unit, the local school committee shall fill the vacancies by

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1 appointment. A new member serves until a successor is elected and qualified at the
2 next annual municipal election.

3 D. The reapportionment committee is dissolved after the approved reapportionment
4 plan is implemented.

5 **11. Duties of present members during reapportionment.** The regional school
6 union committee, during the reapportionment of its membership, serves as the legal
7 representative of the regional school union until the reapportionment is completed. The
8 committee shall carry out all business of the regional school union, including the
9 borrowing of funds that may be required during the period of reapportionment.

10 **12. State board review of commissioner's decisions.** A regional school union
11 committee or interested parties may request that the state board reconsider decisions
12 made by the commissioner under this section. The state board has the authority to
13 overturn a decision made by the commissioner. In exercising this power, the state board is
14 limited by this section.

15 **SUBCHAPTER 4**

16 **CONTRACTS**

17 **§2031. Bid procedure**

18 **1. Written bids.** Bids must be in writing, sealed with the outside envelope or
19 wrapper plainly marked "Bid, not to be opened until (appropriate date)" and mailed to or
20 filed with the superintendent.

21 **2. Time of opening.** A member of the regional school union committee or an
22 employee of the regional school union may not open a bid until the appointed time.

23 **3. Public opening.** At the time and place stated in the public notice, and open to the
24 public, all bids must be opened by the superintendent or, in the superintendent's absence
25 or disability, by any member of the regional school union committee designated for the
26 purpose by the chair of the regional school union committee.

27 **4. Reading.** If any citizens who are not members of the regional school union
28 committee or employees of the regional school union are present or if any representatives
29 of the press are present, bids must at the time of opening either be made available for
30 examination by them or must be read aloud in a manner to be heard plainly by those in
31 attendance.

32 **§2032. Void contracts**

33 A contract made by the regional school union committee during the term of a
34 member who is pecuniarily interested in that contract, either directly or indirectly, is void,
35 unless the regional school union committee has advertised for sealed bids for that contract
36 and that advertisement for sealed bids has been published at least 5 days prior to the date
37 set for closing of bids in a newspaper having general circulation within the regional
38 school union.

H. & S.

SUBCHAPTER 5

BUDGET VALIDATION REFERENDUM

§2041. Budget validation referendum

1. Budget validation referendum. The annual budget of a regional school union does not become final until it has been approved by the regional school union committee and validated at a budget validation referendum conducted in accordance with this section.

Every 3 years, the voters in the regional school union shall consider the continued use of the budget validation referendum process as provided in section 1486.

2. Article. The article to be voted on at a budget validation referendum held pursuant to subsection 1 must be in substantially the following form:

"Do you favor approving the (name of the regional school union) budget for the upcoming school year as approved by the regional school union committee and set forth below?

<u>Member</u>	<u>Budget Share</u>
.....	\$.....
.....	\$.....
.....	\$.....
.....	\$.....
.....	\$.....
<u>Total (name of regional school union)</u>	<u>\$.....</u>
<u>Budget</u>	

Yes No"

The following statement must accompany the article:

"Explanation:

If this article is approved, each member will be required to pay from its approved school budget its budget share as shown above to (name of regional school union)."

3. Procedures. The budget validation referendum held pursuant to subsection 1 must be conducted in accordance with the following procedures.

A. If each school administrative unit that is a member of a regional school union is required to conduct a budget validation referendum on its annual budget, and if none of the warrants for those budget validation referenda has been signed at the time that the budget of the regional school union is approved by the regional school union committee, the article required in subsection 2 must be included as an additional article at each member's budget validation referendum. The voting on the budget validation article in each member school administrative unit is not required to be conducted on the same day. The return and counting of votes on the budget validation article must be conducted in the same manner as the procedures of section 1503, subsection 3.

1 B. If a budget validation referendum is not conducted in accordance with paragraph
2 A, the article required by subsection 4 must be submitted to a budget validation
3 referendum called by the regional school union committee. The budget validation
4 referendum must be called and conducted in the same manner as the procedures of
5 section 1486, subsections 2 and 3.

6 **4. Failure to validate budget.** If a majority of the voters in a regional school union
7 does not vote in favor of validating the budget approved by the regional school union
8 committee at a budget validation referendum, the regional school union committee shall
9 prepare and approve a revised budget at least 10 days after the budget validation
10 referendum. The revised budget approved by the regional school union committee must
11 be submitted to the voters for validation at a budget validation referendum conducted in
12 accordance with this section. The process must be repeated until a budget is approved by
13 the regional school union committee and validated at referendum. If a budget is not
14 approved by the regional school union committee and validated at referendum before July
15 1st of each year, the latest budget approved by the regional school union committee is
16 automatically considered the budget for operational expenses for the ensuing year until a
17 final budget is approved by the regional school union committee and validated at a budget
18 validation referendum.

19 **Sec. C-10. Reorganization planning.** A regional school union, as established in
20 the Maine Revised Statutes, Title 20-A, chapter 108, is deemed a regional school unit
21 under Public Law 2007, chapter 240, Part XXXX, section 36 for all purposes including
22 the goal for the number of regional units and the requirements with respect to the number
23 of students in each regional unit. The Commissioner of Education shall apply the same
24 criteria and shall allow the same exceptions for regional school unions as are applied to
25 regional school units. A reorganization plan for a regional school union is also subject to
26 the requirements of Public Law 2007, chapter 240, Part XXXX, section 36, subsection 6,
27 paragraph F that the reorganization plan address how administrative functions, duties and
28 noninstructional personnel will be reorganized so that the projected expenditures for
29 system administration, transportation, special education and facilities and maintenance
30 will not have an adverse impact on the instructional program. A reorganization plan for a
31 regional school union is subject to the same approval and referendum requirements as
32 provided in Public Law 2007, chapter 240, Part XXXX, section 36, subsections 8 and 9.

33 **Sec. C-11. Application.** Notwithstanding any provision of law to the contrary,
34 this Part applies to school administrative units and reorganization planning committees
35 that, on the effective date of this Part, are engaged in or are required to be engaged in
36 school reorganization planning pursuant to Public Law 2007, chapter 240, Part XXXX.'

37 SUMMARY

38 This amendment replaces the bill.

39 Part A does the following.

40 1. It clarifies the authorization provided to regional planning committees to negotiate
41 a cost-sharing agreement for those costs of a proposed regional school unit that are in
42 addition to the local contribution required pursuant to the Maine Revised Statutes, Title
43 20-A, section 15690.

SENATE AMENDMENT "A" to H.P. 1675, L.D. 2314

1 2. It repeals a cross-reference to the unit of law that is repealed in the bill regarding
2 the requirement that each municipality that is a member of a new regional school unit
3 contribute a minimum of 2 mills of the municipality's property fiscal capacity to the total
4 cost of education of the new regional school unit.

5 3. It includes language inadvertently left out of the bill regarding the requirement
6 that the reorganization plan include a process for amending the cost-sharing formula.

7 4. It clarifies the roles of the municipal officers and the school committee for
8 municipal school units whose municipal charters give authority to approve the school
9 budget to the municipal officers and establishes the requirements for calling a budget
10 meeting and the procedures for the budget meeting.

11 5. It clarifies the relationship between a regional school unit board and a local school
12 that seeks to raise additional funds for an elementary school or a secondary school that is
13 owned or managed by the member municipality. The amendment also removes 2
14 references to "elementary" schools in the school closure provisions to clarify that
15 secondary schools are also subject to these requirements.

16 6. It permits the Commissioner of Education to authorize so-called "doughnut hole"
17 school units that have 1,200 or fewer students and no other available reorganization
18 partners to form a regional school unit that serves at least 1,000 students if these isolated,
19 rural school units meet certain criteria.

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

22 8. It provides regional school unit boards with the legal authority to receive and
23 spend state and local funds, including funds for the election of regional school unit board
24 members and to hire a superintendent prior to the operational date of the new regional
25 school unit on July 1, 2009.

26 Part B changes the deadline by which a referendum must be held to January 15, 2009
27 and changes dates that are linked to the referendum date by the same amount of time.

28 Part C authorizes regional school unions as an alternative to the regional school unit
29 method of school reorganization. A regional school union must perform certain core
30 functions, which include employment of a superintendent, performance of all business
31 functions, special education administration, transportation administration, adoption of a
32 core curriculum and all state and federal reporting. A regional school union is formed in
33 the same manner as a regional school unit by means of a reorganization plan prepared by
34 a reorganization planning committee, with approval of the Commissioner of Education
35 and approval at a referendum. Regional school unions are subject to the same
36 requirements as regional school units with respect to minimum numbers of students,
37 exceptions to minimum numbers of students, timelines for submission of reorganization
38 plans, operational date and applicable penalties. School administrative units that form a
39 regional school union become "local educational units" with no further responsibility for
40 the administrative functions, which are taken over by the regional school union.

41 This amendment requires that a budget validation referendum be conducted to
42 approve the budget for a regional school union.

SENATE AMENDMENT "A" to H.P. 1675, L.D. 2314

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

9 This amendment clarifies that the procedures set forth for withdrawal from a regional
10 school unit are available to a municipality prior to the formation of the regional school
11 unit.

12 The amendment makes technical corrections to align the employment and collective
13 bargaining provisions of the bill, which apply in the event of dissolution of a regional
14 school unit or withdrawal or transfer of a single municipality from a regional school unit,
15 with the employment and collective bargaining provisions enacted in Public Law 2007,
16 chapter 240, Part XXXX and codified in the Maine Revised Statutes, Title 20-A, sections
17 1463 and 1464.

18 This amendment also allows a state-approved unit of school administration that was
19 responsible for operating public schools prior to the reorganization of school
20 administrative units pursuant to the Maine Revised Statutes, Title 20-A, chapter 103-A to
21 serve fewer than 1,200 students if the area it serves has fewer than 50 residents per square
22 mile. This amendment also refines the population density exception to require the
23 Commissioner of Education to lower the 1,200-student requirement when the
24 commissioner determines that the number is impractical.

25 SPONSORED BY: Kevin L. Raye

26 (Senator RAYE)

27 COUNTY: Washington

FISCAL NOTE REQUIRED
(See Attached)



123rd MAINE LEGISLATURE

LD 2314

LR 3647(03)

An Act To Amend School Funding Laws

Fiscal Note for Senate Amendment "A "

Sponsor: Sen. Raye of Washington

Fiscal Note Required: Yes

Fiscal Note

Potential future biennium cost increase - General Fund

Fiscal Detail and Notes

Providing school administrative units with the option of forming a regional school union that allows for the dispersion of decision making authority to local education units within the regional school union except for certain core functions 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 unions established and the ability of regional school unions and local education units within the regional school union to implement efficiencies.

Allowing for the dissolution of a regional school unit or a regional school unit member from a regional school unit and for certain school administrative units to serve fewer than 1,200 students if the area it serves has fewer than 50 residents per square mile may also increase the total cost of K-12 public education in future biennia due to less than anticipated savings being achieved. The amount can not be determined at this time and will depend on actual experience.

One area which could impact future General Fund costs is special education. Title 20-A, §15681-A, sub-§2(D) requires that school administrative units receive sufficient funds for special education to ensure that the SAUs 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.

A second area is transportation. 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.

Finally, although this legislation will not impact the total state and local cost of funding K-12 public education, beginning in fiscal year 2008-09 it may affect the distribution of subsidy to local school administrative units with some units receiving more subsidy and some units receiving less subsidy. The impact to individual school administrative units can not be determined at this time.