

MAINE STATE LEGISLATURE

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126th MAINE LEGISLATURE

FIRST REGULAR SESSION-2013

Legislative Document

No. 417

S.P. 159

In Senate, February 14, 2013

An Act To Ensure That All Voters Are Able To Vote in Regional School Unit Budget Elections

Reference to the Committee on Education and Cultural Affairs suggested and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator THOMAS of Somerset.
Cosponsored by Representative KNIGHT of Livermore Falls.

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

2 **Sec. 1. 20-A MRSA §1461-B, sub-§3, ¶C**, as amended by PL 2011, c. 485, §1,
3 is further amended to read:

4 C. The budget procedures of member entities of an alternative organizational
5 structure must conform to the format and referendum procedures set forth in sections
6 1485 and 1486 for regional school units. The budget of the alternative organizational
7 structure must be approved at a ~~meeting of budget approval referendum by~~ the voters
8 ~~of all~~ of the member entities conducted in accordance with the procedures applicable
9 to a regional school unit budget ~~meeting except as provided in paragraph D approval.~~
10 ~~The budget of an alternative organizational structure is not subject to a separate~~
11 ~~budget validation referendum as described in section 1486.~~

12 **Sec. 2. 20-A MRSA §1461-B, sub-§3, ¶D**, as enacted by PL 2011, c. 485, §2, is
13 repealed.

14 **Sec. 3. 20-A MRSA §1482, sub-§2**, as enacted by PL 2007, c. 240, Pt. XXXX,
15 §13, is amended to read:

16 **2. Distribution.** At least 7 days before a regional school unit budget ~~meeting~~
17 hearing, the regional school unit board shall make available to the legislative body
18 responsible for final budget approval and residents of the regional school unit a detailed
19 budget document. The detailed budget document must include a summary of anticipated
20 revenues and estimated school expenditures.

21 **Sec. 4. 20-A MRSA §1482-A**, as enacted by PL 2007, c. 668, §17, is amended to
22 read:

23 **§1482-A. Budget hearing**

24 A regional school unit board shall hold a regional school unit budget ~~meeting~~ hearing
25 at a time it determines.

26 **1. Hearing.** The budget ~~meeting must be called by a warrant. The warrant~~ hearing
27 notice must:

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

29 B. Specify the time and place of the ~~meeting~~ hearing;

30 C. Include the proposed school budget and other articles the regional school unit
31 board chooses to place before the voters at the budget approval referendum
32 established under section 1486, excluding authorization to borrow money for school
33 construction purposes;

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

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

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

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

19 **Sec. 5. 20-A MRSA §1482-B**, as enacted by PL 2007, c. 668, §18, is amended to
20 read:

21 **§1482-B. Annual budget hearing procedures**

22 The following procedures must be used at a regional school unit annual budget
23 meeting hearing.

24 **1. Chair.** ~~The secretary of the regional school unit board or the chair of the regional~~
25 ~~school unit board when the secretary is absent shall open the annual budget meeting and~~
26 ~~call for the election of a moderator, receive and count votes for the moderator and swear~~
27 ~~in the moderator shall serve as chair of the budget hearing. In the chair's absence, the~~
28 ~~vice-chair of the board shall chair the budget hearing.~~

29 ~~**2. Appointing ballot clerks.** The moderator shall appoint from the certified voting~~
30 ~~list the ballot clerks necessary for the efficient operation of the annual budget meeting.~~
31 ~~The moderator shall swear in the clerks.~~

32 **3. Budget consideration.** The superintendent of the regional school unit shall
33 thoroughly explain the budget. ~~The voters~~ Residents of the regional school unit attending
34 the budget hearing must have an opportunity to be heard. ~~The voters~~ Based on testimony
35 offered at the budget hearing, the regional school unit board may change only items
36 dealing with:

- 37 A. The expenses necessary to operate the regional school unit;
- 38 B. Appropriations for the reserve fund; and
- 39 C. Appropriations for the contingency fund and school construction purposes.

1 **4. Approval.** A majority vote of ~~those voters present and voting~~ the regional school
2 unit board is necessary for the approval of the annual budget that is presented to voters at
3 the budget approval referendum under section 1486.

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

6 ~~A. Prior to the annual budget meeting, the municipal clerks of the member~~
7 ~~municipalities shall supply to the regional school unit board certified corrected copies~~
8 ~~of the registered voters of their municipalities.~~

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

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

16 **Sec. 6. 20-A MRS §1484**, as enacted by PL 2007, c. 240, Pt. XXXX, §13, is
17 repealed.

18 **Sec. 7. 20-A MRS §1485, sub-§§2 and 3**, as enacted by PL 2007, c. 240, Pt.
19 XXXX, §13, are amended to read:

20 **2. Budget details.** ~~The warrant articles presented to the legislative body of the~~
21 ~~regional school unit for approval of the regional school unit budget must correspond to~~
22 ~~the categories of the cost center summary budget described in subsection 1. In addition to~~
23 ~~expenditure and revenue cost center summary totals, the regional school unit board shall~~
24 ~~provide to voters~~ residents of the regional school unit attending the budget hearing a
25 reasonably detailed breakdown for each major subcategory within each budget category.
26 The department shall adopt routine technical rules pursuant to Title 5, chapter 375,
27 subchapter 2-A defining and establishing the content of those informational
28 subcategories.

29 **3. Budget approval.** A regional school unit's cost center summary budget must be
30 approved ~~at a regional school unit budget meeting and~~ by a budget validation approval
31 referendum as provided in section 1486.

32 **Sec. 8. 20-A MRS §1486**, as amended by PL 2011, c. 678, Pt. B, §1, is further
33 amended to read:

34 **§1486. Budget approval referendum**

35 After January 31, 2008, the procedure for approval of the annual budget of a regional
36 school unit must be in accordance with this section and section 1485.

37 **1. Budget approval.** Following development of the annual regional school unit
38 budget and ~~approval at~~ the holding of a regional school unit budget ~~meeting~~ hearing as

1 provided in section 1485, a referendum must be held in the regional school unit as
2 provided in this section to allow the voters to ~~validate~~ accept or reject the total budget
3 ~~adopted at presented by the regional school unit budget meeting.~~

4 ~~Every 3 years, the voters in a regional school unit shall consider continued use of the~~
5 ~~budget validation referendum process. The warrant at the budget validation referendum~~
6 ~~in the 3rd year following adoption or continuation of the referendum process must~~
7 ~~include an article by which the voters of the school administrative unit may indicate~~
8 ~~whether they wish to continue the process for another 3 years. The warrant for the~~
9 ~~referendum to validate the fiscal year 2010-11 budget is deemed the 3rd year warrant. A~~
10 ~~vote to continue retains the process for 3 additional years. A vote to discontinue the~~
11 ~~process ends its use beginning with the following budget year and prohibits its~~
12 ~~reconsideration for at least 3 years.~~

13 ~~An article to consider reinstatement of the budget validation referendum process may be~~
14 ~~placed on a warrant for a referendum vote by either a majority vote of the regional school~~
15 ~~unit board or a written petition filed with the regional school unit board by at least 10% of~~
16 ~~the number of voters voting in the last gubernatorial election in the municipalities in the~~
17 ~~school administrative unit. The regional school unit board shall place the article on the~~
18 ~~next scheduled warrant or an earlier one if determined appropriate by the regional school~~
19 ~~unit board. If adopted by the voters, the budget validation referendum process takes~~
20 ~~effect beginning in the next budget year or the following budget year if the adoption~~
21 ~~occurs less than 90 days before the start of the next budget year. Once approved by the~~
22 ~~voters, the budget validation referendum process may not be changed for 3 years.~~

23 **2. Budget approval referendum procedures.** The budget ~~validation~~ approval
24 referendum must be held on or before the 30th calendar day following the scheduled date
25 of the regional school unit budget ~~meeting~~ hearing. The referendum may not be held on a
26 Sunday or legal holiday. The vote at referendum is for the purpose of approving or
27 rejecting the total regional school unit budget ~~approved at presented by the regional~~
28 ~~school unit budget meeting board.~~ The regional school unit board shall provide printed
29 information to be displayed at polling places to assist voters in voting. That information
30 is limited to the total amounts proposed by the regional school unit board for each cost
31 center summary budget category article, ~~the amount approved at the regional school unit~~
32 ~~budget meeting,~~ a summary of the total authorized expenditures and, if applicable
33 because of action on an article under section 15690, subsection 3, paragraph A, a
34 statement that the amount ~~approved at the regional school unit budget meeting of the~~
35 ~~budget~~ includes locally raised funds that exceed the maximum state and local spending
36 target pursuant to section 15671-A, subsection 5.

37 **3. Budget approval referendum voting.** The method of calling and voting at a
38 budget ~~validation~~ approval referendum is as provided in sections 1502 and 1503, except
39 as otherwise provided in this subsection or as is inconsistent with other requirements of
40 this section.

41 ~~A. A public hearing is not required before the vote.~~

42 C. ~~The warrant and absentee~~ Absentee ballots must be delivered to the municipal
43 clerk no later than the day after the date of the regional school unit budget ~~meeting~~
44 hearing.

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

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

7 F. The article to be voted on must be in the following form:

8 (1) "Do you favor approving the (name of regional school unit) budget for the
9 upcoming school year that was adopted ~~at~~ by the board after the latest (name of
10 regional school unit) budget ~~meeting hearing~~?

11 Yes No"

12 **4. Failure to approve budget.** If the voters do not ~~validate the budget approved in~~
13 ~~approve~~ the regional school unit budget ~~meeting~~ at the budget ~~validation approval~~
14 referendum vote, the regional school unit board shall hold another regional school unit
15 budget ~~meeting hearing~~ in accordance with this section and section 1485 at least 10 days
16 but no longer than 45 days after the referendum to vote on a budget approved by the
17 regional school unit board. The budget ~~approved at~~ adopted by the regional school unit
18 board after the regional school unit budget ~~meeting hearing~~ must be submitted to the
19 voters for ~~validation approval~~ at referendum in accordance with this section. The process
20 must be repeated until a budget is approved at a regional school unit budget ~~meeting and~~
21 ~~validated at approval~~ referendum. If a budget is not approved ~~and validated~~ before July
22 1st of each year, section 1487 applies.

23 **Sec. 9. 20-A MRSA §1487**, as amended by PL 2007, c. 668, §21, is further
24 amended to read:

25 **§1487. Failure to pass budget**

26 If a budget for the operation of a regional school unit is not approved prior to July
27 1st, the latest budget approved ~~at a regional school unit budget meeting and submitted to~~
28 ~~the voters for validation~~ at a referendum in accordance with section 1486 is automatically
29 considered the budget for operational expenses for the ensuing year until a final budget is
30 approved, except that, when the regional school unit board delays the regional school unit
31 budget ~~meeting hearing~~, the operating budget must be approved within 30 days of the
32 date the commissioner notifies the regional school unit board of the amount allocated to
33 the regional school unit under section 15689-B, or the latest budget submitted by the
34 regional school unit board becomes the operating budget for the next school year until a
35 budget is approved at a regional school unit budget ~~meeting and validated at a approval~~
36 referendum. If the budget of a regional school unit is not approved ~~and validated~~ before
37 July 1st and the officers of any affected municipality determine that the property taxes
38 must be committed in a timely manner to the collector pursuant to Title 36, section 709,
39 the municipal assessor or assessors may commit the property taxes on the basis of the
40 latest budget approved at a regional school unit budget ~~meeting and submitted to the~~
41 ~~voters for validation at a approval~~ referendum in accordance with section 1486.

1 **Sec. 10. 20-A MRSA §1488**, as enacted by PL 2007, c. 240, Pt. XXXX, §13, is
2 amended to read:

3 **§1488. Special budget meeting**

4 ~~The~~ Notwithstanding the provisions of sections 1485 and 1486, the regional school
5 unit board may call a special budget meeting when it declares that an emergency exists.
6 The voters of the regional school unit may authorize the regional school unit board at a
7 special regional school unit budget meeting to expend additional funds from the regional
8 school unit's undesignated fund balance or to pledge the credit of the regional school unit
9 to obtain additional money for the operation of schools. ~~A special budget meeting held on
10 or after July 1, 2008 must be conducted in accordance with sections 1485 and 1486.~~

11 **Sec. 11. 20-A MRSA §1489, sub-§1**, as enacted by PL 2007, c. 240, Pt. XXXX,
12 §13, is amended to read:

13 **1. Warrant.** In accordance with the budget ~~approved~~ proposed by the ~~voters at an~~
14 ~~annual budget meeting~~ regional school unit board and approved by voters at a budget
15 approval referendum and in substantially the same form as the warrant of the Treasurer of
16 State for taxes, the regional school unit board shall issue its warrants to the assessors of
17 each member municipality requiring them to assess upon the taxable estates within the
18 municipality an amount that is that municipality's share of the regional school unit's costs.

19 **Sec. 12. 20-A MRSA §1490, sub-§2**, as enacted by PL 2007, c. 240, Pt. XXXX,
20 §13, is amended to read:

21 **2. Voter approval.** Bonds or notes for school construction purposes must first be
22 approved by a majority of voters of the regional school unit voting at ~~an election a~~
23 referendum called by the regional school unit board and held as provided ~~in this chapter~~
24 under section 1486, except as is otherwise provided in this section.

25 A. Each bond or note must have inscribed upon its face the name of the regional
26 school unit, the date it was issued, the amount of the bond or note and the annual
27 interest rate, payable semiannually. Each bond or note must be in the form and be
28 sold in the manner, at public or private sale, as the regional school unit board
29 determines in accordance with state law. Bonds may not be sold for less than par.

30 B. Notes or bonds issued by a regional school unit must be signed by the treasurer or
31 assistant superintendent and countersigned by the chair of the regional school unit
32 board. If coupon bonds are issued, each coupon must be attested by a facsimile
33 signature of the treasurer.

34 C. Each issue of bonds must mature in substantially equal annual installments so that
35 the first installment is payable not later than 2 years and the last installment not later
36 than 25 years after the date of issue.

37 **Sec. 13. 20-A MRSA §1490, sub-§3, ¶F**, as enacted by PL 2007, c. 240, Pt.
38 XXXX, §13, is amended to read:

39 F. If the temporary or renewal notes in anticipation of state aid exceed the aggregate
40 amount of state aid actually received by the regional school unit, the unexpended

1 balance of those notes must be used for the repayment. If an outstanding balance
2 remains, it must be included in the next annual budget ~~and is not subject to change at~~
3 ~~the regional school unit budget meeting.~~

4 **Sec. 14. 20-A MRSA §1491, sub-§3**, as enacted by PL 2007, c. 240, Pt. XXXX,
5 §13, is amended to read:

6 **3. Expending money from reserve funds.** The regional school unit board may
7 expend the sum in the reserve fund when authorized to do so by a vote of the regional
8 school unit at a regional school unit ~~meeting~~ budget approval referendum under section
9 1486 or a regional school unit special budget meeting under section 1488 when an article
10 for that purpose is set out in the warrant calling the special budget meeting or the budget
11 approval referendum.

12 **Sec. 15. 20-A MRSA §15008, sub-§1**, as enacted by PL 2009, c. 104, §1, is
13 amended to read:

14 **1. Establishment and funding.** The voters or other legislative body of a school
15 administrative unit may establish a fuel cost stabilization fund and may raise and
16 appropriate funds for that purpose in addition to the school operating budget. A separate
17 warrant article for that purpose must be approved at ~~the a special~~ budget meeting and
18 under section 1488 or at the a budget validation approval referendum under section 1486.
19 ~~If a school administrative unit has discontinued the budget validation referendum process,~~
20 ~~the article must be approved by the voters or other legislative body using the same~~
21 ~~process as for approval of the school budget.~~ If a school administrative unit has available
22 fund balances at the end of a fiscal year, the transfer of those funds to the fuel cost
23 stabilization fund may be authorized at a special budget meeting or other meeting of the
24 voters or other legislative body. An article authorizing an appropriation or transfer to the
25 fuel cost stabilization fund must be accompanied by a statement that includes the balance
26 in the fuel cost stabilization fund before and after the proposed appropriation or transfer,
27 the amounts expended from the fund in each of the 2 prior fiscal years and, in the case of
28 a transfer, the amount expended from the fund in the current fiscal year.

29 **Sec. 16. 20-A MRSA §15691-A, sub-§1**, as enacted by PL 2007, c. 240, Pt.
30 XXXX, §32, is amended to read:

31 **1. Presentation of assessment schedule.** The assessment schedule based on the
32 budget approved at a regional school unit budget ~~meeting~~ approval referendum under
33 section 1486 must be presented to the treasurer of each municipality that is a member of
34 the regional school unit. The assessment schedule must include each member
35 municipality's share of the school administrative unit's contribution to the total cost of
36 funding public education from kindergarten to grade 12 as described in section 15688 and
37 the school administrative unit's contribution to debt service for non-state-funded school
38 construction projects and additional local funds for school purposes under section 15690.

1 **SUMMARY**

2 This bill makes several changes to the annual budget approval process for regional
3 school units. The bill:

4 1. Changes the annual budget meeting at which the regional school unit's budget is
5 initially adopted by registered district voters to an annual public hearing on the budget at
6 which residents of the regional school unit have an opportunity to offer public comments
7 but do not vote on the proposed budget;

8 2. Authorizes the regional school unit's board to make changes to the budget
9 presented at the public hearing and to propose the amended budget for approval by voters
10 at a referendum in the municipalities comprising the regional school unit;

11 3. Changes the current budget adoption process from a validation vote to an annual
12 referendum vote asking voters to accept or reject the budget presented by the board of the
13 regional school unit; and

14 4. Amends the process that regional school units must follow when voters reject a
15 proposed school budget at referendum.