MAINE STATE LEGISLATURE

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131st MAINE LEGISLATURE

FIRST SPECIAL SESSION-2023

Legislative Document

No. 1748

H.P. 1127

House of Representatives, April 20, 2023

An Act to Reform the School Budget Referendum Process by Limiting the Circumstances in Which Referenda Occur

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

ROBERT B. HUNT Clerk

R(+ B. Hunt

Presented by Representative ABDI of Lewiston.

Cosponsored by Representatives: ANKELES of Brunswick, CLOUTIER of Lewiston, CLUCHEY of Bowdoinham, CRAVEN of Lewiston, DANA of the Passamaquoddy Tribe, DHALAC of South Portland, STOVER of Boothbay, Senator: ROTUNDO of Androscoggin.

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

- **Sec. 1. 20-A MRSA §1485, sub-§3,** as enacted by PL 2007, c. 240, Pt. XXXX, §13, is amended to read:
- **3. Budget approval.** A regional school unit's cost center summary budget must be approved at a regional school unit budget meeting and, if required under section 1486, by a budget validation referendum as provided in section 1486.
- **Sec. 2. 20-A MRSA §1486,** as amended by PL 2015, c. 463, §2, is further amended to read:

§1486. Budget validation referendum

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

1. Budget validation. Following If a referendum on the annual regional school unit budget is required pursuant to this subsection, then following development of the annual regional school unit budget and approval at a regional school unit budget meeting as provided in section 1485, a referendum must be held in the regional school unit as provided in this section to allow the voters to validate or reject the total budget adopted at the regional school unit budget meeting.

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

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

A referendum is required under this section if a written petition, signed by at least 20% of the number of voters voting in the last gubernatorial election in the municipalities in the school administrative unit, is filed with the regional school unit board within 30 days of the approval of the budget at a regional school unit budget meeting as provided in section 1485.

2. Validation referendum procedures. The budget validation referendum must be held on or before the 30th calendar day following the scheduled date of the regional school unit budget meeting receipt of a petition in accordance with subsection 1. The referendum may not be held on a Sunday or legal holiday. The vote at referendum is for the purpose

of approving or rejecting the total regional school unit budget approved at the regional school unit budget meeting. The regional school unit board shall provide printed information to be displayed at polling places to assist voters in voting. That information is limited to the total amounts proposed by the regional school unit board for each cost center summary budget category article, the amount approved at the regional school unit budget meeting, a summary of the total authorized expenditures and, if applicable because of action on an article under section 15690, subsection 3, paragraph A, a statement that the amount approved at the regional school unit budget meeting includes locally raised funds that exceed the maximum state and local spending target pursuant to section 15671-A, subsection 5. If the legislative body of the regional school unit at the regional school unit budget meeting approves an article pursuant to section 1485, subsection 5, the substance of the article must be included in the printed information displayed at polling places for the budget validation referendum.

- **3. Budget validation referendum voting.** The method of calling and voting at a budget validation referendum is as provided in sections 1502 and 1503, except as otherwise provided in this subsection or as is inconsistent with other requirements of this section.
 - A. A public hearing is not required before the vote.

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- C. The warrant and absentee ballots must be delivered to the municipal clerk no later than the day after the date of the regional school unit budget meeting receipt of a petition in accordance with subsection 1.
- D. Absentee ballots received by the municipal clerk may not be processed or counted unless received on the day after the conclusion of the regional school unit budget meeting and before the close of the polls.
- E. All envelopes containing absentee ballots received before the day after the eonclusion of the regional school unit budget meeting receipt of a petition in accordance with subsection 1 or after the close of the polls must be marked "rejected" by the municipal clerk.
- F. The article to be voted on must be in the following form:
 - (1) "Do you favor approving the (name of regional school unit) budget for the upcoming school year that was adopted at the latest (name of regional school unit) budget meeting?

Yes No"

- **4. Failure to approve budget.** If the voters do not validate the budget approved in the regional school unit budget meeting at the budget validation referendum vote, the regional school unit board shall hold another regional school unit budget meeting in accordance with this section and section 1485 at least 10 days but no longer than 45 days after the referendum to vote on a budget approved by the regional school unit board. The budget approved at the regional school unit budget meeting must be submitted to the voters for validation at referendum if required in accordance with this section. The process must be repeated until a budget is approved at a regional school unit budget meeting and validated at referendum in accordance with this section and section 1485. If a budget is not approved and validated before July 1st of each year, section 1487 applies.
- **Sec. 3. 20-A MRSA §1487,** as amended by PL 2007, c. 668, §21, is further amended to read:

§1487. Failure to pass budget

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If a budget for the operation of a regional school unit is not approved prior to July 1st, the latest budget approved at a regional school unit budget meeting and submitted to the voters for validation at a referendum in accordance with section sections 1485 and 1486 is automatically considered the budget for operational expenses for the ensuing year until a final budget is approved, except that, when the regional school unit board delays the regional school unit budget meeting, the operating budget must be approved within 30 days of the date the commissioner notifies the regional school unit board of the amount allocated to the regional school unit under section 15689-B, or the latest budget submitted by the regional school unit board becomes the operating budget for the next school year until a budget is approved at a regional school unit budget meeting and validated at a referendum in accordance with sections 1485 and 1486. If the budget of a regional school unit is not approved and validated in accordance with sections 1485 and 1486 before July 1st and the officers of any affected municipality determine that the property taxes must be committed in a timely manner to the collector pursuant to Title 36, section 709, the municipal assessor or assessors may commit the property taxes on the basis of the latest budget approved at a regional school unit budget meeting and submitted to the voters for validation at a referendum in accordance with section sections 1485 and 1486.

19 SUMMARY

Current law requires that the budgets of school administrative districts, regional school units and community schools are subject to a budget validation referendum process unless the voters in the school unit vote to suspend the referendum requirement. The voters can suspend the requirement for periods of 3 years. This bill replaces that process.

Under the bill, a budget validation referendum is only required if a written petition, signed by at least 20% of the number of voters voting in the last gubernatorial election in the municipalities in the school administrative unit, is filed with the unit's school board within 30 days of the approval of the budget at a budget meeting.