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Legislative Document

No. 1391

House of Representatives, June 3, 1959

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HARVEY R. PEASE, Clerk

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
FIFTY-NINE

HOUSE AMENDMENT "A" to H. P. 977, L. D. 1388, Bill, "An Act to Clarify
Procedure for Reorganization of School Administrative Units."

Amend said Bill by striking out everything after the enacting clause and inserting in place thereof the following:

"Sec. 1. R. S., c. 41, § 93, amended. Section 93 of chapter 41 of the Revised Statutes, as amended by chapter 62 of the public laws of 1955 and by section 49 of chapter 364 of the public laws of 1957, is further amended by adding after the first sentence, a new sentence, as follows:

'It shall be the duty of any superintending school committee, community school committee or board of school directors to accept tuition pupils from any nearby administrative unit that has a total April 1st resident pupil count of 10 or less pupils when so requested by the State Board of Education.'

Sec. 2. R. S., c. 41, § III-E, amended. Section III-E of chapter 41 of the Revised Statutes, as enacted by section 1-B of chapter 364 of the public laws of 1957 and as repealed and replaced by section 2 of chapter 443 of the public laws of 1957, is amended by adding at the end, a new paragraph, as follows:

'The School District Commission may, in addition to the power conferred in this section, approve the formation of a school administrative district which had not more than 299 nor less than 50 resident secondary pupils educated at public expense in grades 9 through 12 as indicated in the last return to the Commissioner of Education under section 71, provided that on the date of the approval there was on file with the commission a contract offer duly authorized and executed running to the proposed school administrative district from a municipality having 100 or more resident pupils educated at public expense in grades 9 through 12 as indicated on the last return to the Commissioner of Education

under section 71, to take and educate all pupils in grades 9 through 12 in the proposed school administrative district for a period of 20 years; provided that in combination with the proposed school administrative district the total number of resident high school pupils to be educated in grades 9 through 12 exceeds 300 resident high school pupils.'

Sec. 3. R. S., c. 41, § 111-E-1, additional. Chapter 41 of the Revised Statutes is amended by adding a new section 111-E-1, to read as follows:

'Sec. 111-E-1. Special secondary school contracts. Where a School Administrative District is proposed to be formed under the last paragraph of section 111-E, a municipality having 100 or more resident pupils, educated at public expense, in grades 9 through 12 as indicated on the last return to the Commissioner of Education under section 71, acting through its school board or superintending school committee, shall be authorized to make a contract offer to a proposed School Administrative District, provided that said school board or superintending school committee has been authorized to make such contract offer by the city council, if the municipality is a city, or by the legislative body of a town, if the municipality is a town, in accordance with their respective city charters, town charters or under the general law relating to towns.

The contract offer shall be reduced to writing and signed by the school board or superintending school committee or some one acting under their authority and shall include but not be limited to the following: It shall contain a provision that the offer may not be revoked for 9 months from the date thereof; a provision spelling out the formula or terms or conditions by which tuition shall be computed but that the tuition to be paid shall not exceed the legal tuition charge provided in this chapter; a provision that the contract offer when accepted shall run for a period of 20 years and that the contract upon its acceptance cannot be changed, altered or amended, or mutually rescinded except as permitted by special act of the Legislature.

When a School Administrative District has been formed, relying upon a contract offer that is outstanding, the Directors of the School Administrative District shall on the date that the School Administrative District is placed in operation, accept said contract offer by signing the same and returning the original contract to the offering municipality and sending a certified copy to the Commissioner of Education.'

Sec. 4. R. S., c. 41, § 111-F, sub-§ IV, amended. Subsection IV of section 111-F of chapter 41 of the Revised Statutes, as enacted by section 1-B of chapter 364 of the public laws of 1957 and as repealed and replaced by section 2 of chapter 443 of the public laws of 1957, is amended by adding after the second article, the following article:

'Article : To choose _____ school director(s) to represent the town
(number)
on the Board of School Directors of School Administrative District No. .'

Sec. 5. R. S., c. 41, § 111-F, sub-§ IV, amended. Subsection IV of section 111-F of chapter 41 of the Revised Statutes, as enacted by section 1-B of chapter

364 of the public laws of 1957 and as repealed and replaced by section 2 of chapter 443 of the public laws of 1957, is amended by adding after the last article, the following paragraph:

'When a School Administrative District is to be formed under the last paragraph of section III-E or where the study filed with and approved by the School District Commission requires that the proposed school administrative district contract for the education of the pupils in grades 9 through 12 with a designated academy, the following article must be acted upon:

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

Sec. 6. R. S., c. 41, § III-G, amended. The 2nd sentence of section III-G of chapter 41 of the Revised Statutes, as enacted by section 1-B of chapter 364 of the public laws of 1957 and as repealed and replaced by section 2 of chapter 443 of the public laws of 1957, is amended to read as follows:

'If the commission finds that a majority of the residents within each of the municipalities involved, voting on each of the articles or questions submitted to them, have voted in the affirmative, and have elected the necessary school directors to represent each municipality, and that all other steps in the formation of the proposed School Administrative District are in order and in conformity with law, the commission shall make a finding to that effect and record the same upon its records.'

Sec. 7. R. S., c. 41, § III-J, amended. The first sentence of section III-J of chapter 41 of the Revised Statutes, as enacted by section 1-B of chapter 364 of the public laws of 1957 and as repealed and replaced by section 2 of chapter 443 of the public laws of 1957, is repealed as follows:

~~'When a School Administrative District's certificate of organization has been issued by the School District Commission, the School District Commission shall notify the municipal officers of the municipalities that fall within the School Administrative District that they shall within 60 days of the date of said notice call special town meetings or special city elections for the purpose of electing the number of school directors that the municipality is entitled to have as has been previously determined under section III-F.'~~

Sec. 8. R. S., c. 41, § III-J, amended. Section III-J of chapter 41 of the Revised Statutes, as enacted by section 1-B of chapter 364 of the public laws of 1957 and as repealed and replaced by section 2 of chapter 443 of the public laws of 1957, is amended by adding immediately after the table, the following paragraph:

'The directors shall serve their terms as determined at the organizational meeting and an additional period until the next regular election of the municipality. Thereafter the directors' terms of office shall date from the time of each municipality's regular election.'

Sec. 9. R. S., c. 41, § 111-K, amended. Section 111-K of chapter 41 of the Revised Statutes, as enacted by section 1-B of chapter 364 of the public laws of 1957 and repealed and replaced by section 2 of chapter 443 of the public laws of 1957, is amended to read as follows:

'Sec. 111-K. Power to borrow money. To procure funds for authorized purposes of the district, the school directors of said district are authorized to borrow funds to pay current operating expenses of the district but said loans must be repaid within one year. To procure funds for capital outlay purposes, as defined in section 237-H, the school directors of said district are authorized to issue bonds and notes of the district, not to exceed in the aggregate, at any one time outstanding, the limit of indebtedness of 12½% of the total of the last preceding state valuation of all the participating towns including all outstanding school indebtedness assumed by said district. The issuing of bonds or notes for capital outlay purposes shall first be approved by a majority of those qualified voters of the district voting at an election called by the school directors and held as provided in section 111-T, **except as is otherwise provided in this section.** Contracts, leases or agreements with the Maine School Building Authority shall not be debts or liabilities within the provisions of this section. Each bond or note shall have inscribed upon its face the official name of the School Administrative District and shall be dated at such time or times, shall be in such denomination, shall bear such rate of interest, not exceeding 6% per annum, payable semiannually, be in such form subject to sections 111-A to 111-U, and be sold in such manner, at public or private sale as the school directors shall determine, **provided that in no event shall bonds be sold for less than par.** Each issue of said bonds shall mature in substantially equal annual installments, so that the first installment shall be payable not later than 2 years after the date of issue and the last installment not later than 25 years from the date thereof. **When an issue of capital outlay bonds or notes has been properly authorized, the board of school directors prior to the issuance of said bonds or notes may borrow in anticipation of their sale by issuing temporary notes and renewal notes, the total face amount of which does not exceed at any one time outstanding the authorized amount of the capital outlay bonds or notes.** If the proceeds of an issue of bonds are used in whole or in part to fund temporary notes of the district or renewals thereof, the period during which such issue of bonds shall be outstanding, plus the period of the loan represented by such temporary notes or renewals thereof, shall not exceed 25 years. All notes or bonds issued by said school directors on behalf of an administrative district shall be signed by the treasurer and countersigned by the chairman of said Board of School Directors, and if coupons be issued, each coupon shall be attested by a facsimile signature of the treasurer printed thereon. Notes issued by the administrative district shall mature not later than one year from their date but may be renewed from time to time, provided the period of the original note plus that of renewals thereof shall not exceed 2 years. Said notes and bonds, and loans to pay current operating expenses, contracts, leases and agreements with the Maine School Building Authority shall be legal obligations of said district, which is declared to be a quasi-municipal corporation within the meaning of chapter 90-A, section 23, and all the provisions of said section shall be applicable thereto.

If the Board of School Directors deems it advisable to issue bonds or notes and the amount of the issue does not exceed 1% of the last preceding state valuation of all the participating towns in the district, the directors may call a district meeting to approve the issuance of said bonds or notes as provided in this section or they may proceed as follows: When the Board of School Directors of the district determine that bonds or notes for capital outlay purposes shall be issued in an amount not to exceed 1% of the total of the last preceding state valuation of all the participating towns, they shall pass a resolution to that effect, setting forth the amount of the proposed issue and the purpose or purposes for which the proceeds will be used.

The secretary of the Board of School Directors shall, within 5 days of the date of the passage of said resolution, cause attested copies of the resolution to be posted in 3 public and conspicuous places within each of the municipalities within the district, and make a return of his posting stating the time and place thereof, which return shall be kept with the records of the district, and a copy of the return shall be mailed to each of the municipal officers of each town within the district. If, within 35 days of the date of the passage of the resolution, sufficient petitions are filed with the secretary of the Board of School Directors requesting a vote of the district to approve or disapprove the issuance of the bonds or notes, the secretary shall immediately notify the Board of School Directors and they shall call a district meeting for said purpose as set forth in section 111-T. To be sufficient to require the calling of a district meeting, the petitions must contain the signatures of at least 10% of the residents in the district eligible to vote on the date that the resolution was adopted, as shown by the district voting list.

Sec. 10. R. S., c. 41, § 111-L, amended. Section 111-L of chapter 41 of the Revised Statutes, as enacted by section 1-B of chapter 364 of the public laws of 1957 and as repealed and replaced by section 2 of chapter 443 of the public laws of 1957, is amended to read as follows:

'Sec. 111-L. How financed. The directors of each School Administrative District shall annually before February 1st of each year determine the sum required each year to meet the bonds falling due and what further sum is necessary to meet the interest on said bonds or other obligations, and the rentals and other charges provided in any contract, lease or agreement with the Maine School Building Authority, and all other expenses necessary for the operation of the administrative district, including temporary loans. Also before March 1st of each year, the school directors shall hold a district budget meeting. At this meeting the budget shall be thoroughly explained and the voters of the district shall be given an opportunity to be heard. A budget must be approved by the voters of the district at the district budget meeting. At the district budget meeting, only those items dealing with the expenses necessary to operate the School Administrative District, **appropriations for the reserve fund and capital outlay appropriation** shall be subject to change by the voters. If a budget for the operation of the School Administrative District is not approved prior to April 1st in any given year, the budget as submitted by the school directors for operational expenses, **reserve fund and capital outlay purposes** shall be automatically considered the budget approved for operational expenses in the ensuing year, and the other amounts submitted for payment of bonds falling due and interest

thereon, including temporary loans for capital purposes and rentals and other charges provided in any contract, lease or agreement with the Maine School Building Authority, shall be added together and the total amount assessed as ~~provided follows~~. The directors shall thereupon issue their warrants, in substantially the same form as the warrant of the Treasurer of State for taxes, to the assessors of each participating municipality, requiring them to assess upon the taxable polls and estates within said municipality an amount in proportion to the total sum required each year as that municipality's state valuation bears to the total state valuation of all the participating municipalities; and to commit the assessment to the constable or collector of said municipality who shall have all the authority and powers to collect said taxes as is in him vested by law to collect state, county and municipal taxes. ~~On or before the 31st day of December of the year in which said tax is so levied, the treasurer of each municipality shall pay the amount of the tax so assessed against the taxable polls and estates within his said municipality to the treasurer of the administrative district. In the case of the failure on the part of the treasurer of said municipality to pay said sum or any part thereof on or before said 31st day of December in the year in which said tax is levied, the treasurer of the administrative district may issue his warrant for the amount of said tax or so much thereof as shall then remain unpaid to the county sheriff requiring him to levy by distress and sale on the real and personal property of any of the residents of said administrative district living in the municipality where such default takes place and the sheriff or any of his deputies shall execute said warrant, except as otherwise provided. Any municipality may use the proceeds from gifts or trust funds allocated for educational purposes to reduce the actual amount of assessment to the local taxpayers. In the year in which the tax is so levied the treasurer of each municipality shall pay the amount of the tax so levied in 3 equal installments to the treasurer of the School Administrative District. The first installment shall be paid on or before May 1st, the second installment shall be paid on or before September 1st and the third installment on or before December 31st. In the case of the failure of the treasurer of the said municipality to pay any installment or any part thereof on or before the dates set out above in the year in which the said tax is levied, the treasurer of the administrative district shall issue his warrant for the amount of said tax or so much thereof as shall then remain unpaid to the county sheriff requiring him to levy by distress and sale on the real and personal property of any of the residents of said administrative district living in the municipality where such default takes place and the sheriff or any of his deputies shall execute said warrant, except as otherwise provided. The same authority as is vested in county officials for the collection of county taxes under the Revised Statutes is vested in the school directors of said district in relation to the collection of taxes within such municipality. If any School Administrative District which has financed school construction through the Maine School Building Authority shall be delinquent in its payment to the authority, the Department of Education shall make payment to the authority in lieu of such School Administrative District from any amounts properly payable to such district by such department, not exceeding the amount then presently due to the authority from such district.'~~

Sec. 11. R. S., c. 41, § 111-L-1, additional. Chapter 41 of the Revised Statutes is amended by adding a new section 111-L-1, to read as follows:

Sec. 111-L-1. Reserve fund for capital outlay purposes. A School Administrative District may establish a reserve fund for capital outlay purposes as defined in section 237-H, by adding a request therefor in the district budget. The Board of School Directors shall be the trustees of the reserve fund. The reserve fund shall be deposited or invested by the treasurer under the direction of the Board of School Directors.

Reserve funds, trust funds and all permanent funds shall be deposited or invested by the treasurer, by direction of the Board of School Directors as follows:

I. Deposited in savings banks, trust companies and national banks in the State.

A. The balance at any time in any bank shall not exceed the amount insured by the Federal Deposit Insurance Corporation.

II. Invested in shares of building and loan or savings and loan associations organized under state law.

III. Invested according to the law governing the investment of the funds of savings banks in chapter 59, section 19-I.

A. For the purpose of this section, the words "deposits of a bank" or their equivalent as used in chapter 59, section 19-I, mean the total assets of the reserve fund, trust fund or other permanent fund being invested, but the limitation concerning the maximum amount which may be invested in a security or type of security under section 19-I applies only to an investment in that security or type of security which exceeds \$2,000.

The Board of School Directors shall have the authority to expend all or any part of the sum in the reserve fund when authorized to do so by a vote of the district at a district meeting or a district budget meeting, when an article for such a purpose is set out in the warrant calling the meeting.

Sec. 12. R. S., c. 41, § 111-S, amended. The first paragraph of section 111-S of chapter 41 of the Revised Statutes, as enacted by section 2 of chapter 443 of the public laws of 1957, is amended to read as follows:

'When it is necessary to hold a district budget meeting to approve is called to approve the operating school budget, reserve fund for capital outlay purposes or capital outlay appropriations, the school directors shall be authorized to call such meetings as follows:'

Sec. 13. R. S., c. 41, § 111-S, sub-§ III, amended. Subsection III of section 111-S of chapter 41 of the Revised Statutes, as enacted by section 2 of chapter 443 of the public laws of 1957, is amended to read as follows:

'III. The warrant shall set forth the school budget in the following form:

School Budget for Year 19	to 19	
Operating Schoil Budget (Subsidizable)		\$.....
Operating School Budget (Subsidizable)		\$.....
Reserve Fund for Capital Outlay Purposes		\$.....

Capital Outlay Appropriation	\$.....
Total Operating Expenditures	\$.....

Capital Budget Expenditure	
Assumed Indebtedness (Principal and Interest)	\$.....
Capital Outlay Bonds or Notes (Principal and Interest)	\$.....
Rentals to Maine School Building Authority	
(a) Assumed by District	\$.....
(b) District Leases	\$.....
Total Capital Expenditures	\$.....
Total Proposed Expenditures	\$.....'

Sec. 14. R. S., c. 41, § 111-T, sub-§ III, ¶ A, repealed and replaced. Paragraph A of subsection III of section 111-T of chapter 41 of the Revised Statutes, as enacted by section 2 of chapter 443 of the public laws of 1957, is repealed and the following enacted in place thereof:

'A. When a meeting is called for the purpose of authorizing the issuance of bonds or notes for capital outlay purposes, the questions to be inserted in all warrants shall be substantially as follows:

The following question is to be used where a new school is to be constructed:

"Shall the school directors of School Administrative District No. _____ be authorized to issue bonds or notes in the name of said district for capital outlay purposes in an amount not to exceed \$_____, to construct a _____ to be located at _____

(primary or secondary school)

(specifically

_____?"

define lot where school is to be erected)

Yes

No

Question to be used where addition to or major alteration of an existing public school building is contemplated:

"Shall the school directors of School Administrative District No. _____ be authorized to issue bonds or notes in the name of said district for capital outlay purposes in an amount not to exceed \$_____ for the purpose of constructing an addition to or carrying on major alterations to the _____ school?"

Yes

No

Sec. 15. R. S., c. 41, § 111-U, amended. Section 111-U of chapter 41 of the Revised Statutes, as enacted by section 2 of chapter 443 of the public laws of 1957, is amended to read as follows:

'Sec. 111-U. School directors, additional duties, quorum. In addition to other duties prescribed, school directors may select an unofficial name for the School Administrative District and may elect a finance committee whose members shall all be directors, said committee to consist of 3 members. **The school directors shall operate such elementary school units as they deem necessary.** The school directors shall not transact any business at any meeting unless a majority of the total number of directors is present. **The school directors shall have the authority to purchase land outside of the geographical limits of the district and erect a school or schools thereon, if because of location of other schools within the school district or transportation difficulties the building of said school or schools within the district would not be in the best interests of the district.** The school directors shall adopt by-laws for the regulation of the affairs of the board and the conduct of its business.'

Sec. 16. R. S., c. 41, § 237-D, repealed and replaced. Section 237-D of chapter 41 of the Revised Statutes, as enacted by section 1 of chapter 364 of the public laws of 1957 and as repealed and replaced by section 1 of chapter 443 of the public laws of 1957, is repealed and the following enacted in place thereof:

'Sec. 237-D. Foundation program allowance. The foundation program allowance for each administrative unit, except community school districts, which do not offer educational programs for both grades and high school pupils, shall be determined as follows:

The average of the 2 preceding years' average daily membership of the pupils attending school in the unit shall be multiplied by the applicable dollar allowance in Table I below. To this amount shall be added the average of the unit's 2 preceding years' expenditure for tuition, pupil transportation and board. The total of these items will be the total foundation program. From this total foundation program shall be subtracted the average of the 2 preceding years' tuition collections and other school maintenance incidental receipts. The net cost thus obtained represents the net foundation program allowance on which state subsidy shall be computed biennially in accordance with sections 237-E and Table II.

Table I

Size of School Administrative Unit -- Based on Average Daily Membership	Foundation Program Allowances	
	Elementary Schools	Secondary Schools
1 - 25	\$3,000 + \$80 per pupil (1)	\$6,500 + \$100 per pupil (2)
26 - 50	\$195 per pupil (1)	\$350 per pupil (2)
51 - 100	\$190 per pupil (1)	\$340 per pupil (2)
101 - 200	\$175 per pupil (1)	\$320 per pupil (2)
201 - 300	\$170 per pupil	\$300 per pupil (2)
301 - 500	\$170 per pupil	\$290 per pupil
501 - 800	\$165 per pupil	\$285 per pupil
800 and over	\$165 per pupil	\$280 per pupil

(1) Compute all administrative units except school administrative district at \$152 per pupil in average daily membership if within 10 miles of a school operated in a neighboring administrative unit by the nearest suitable highway.

(2) If within 15 miles of a school operated in a neighboring administrative unit by the nearest suitable highway, compute all administrative units except school administrative districts, as follows:

- (a) At \$241 per pupil if 100 or fewer average daily membership.
- (b) At \$262 per pupil if 101 to 200 average daily membership.
- (c) At \$278 per pupil if 201 to 300 average daily membership.

It is the intent of the Legislature that Table I of this section should be revised each biennium to the end that amendments may be enacted consistent with the changes in the educational expenditures of the towns. On or before October 1st of each year prior to the convening of the Legislature, it shall be the duty of the commissioner to make recommendations to the Governor for such revision which may be used as the basis for budget needs and recommendation for state school subsidies for appropriation by the subsequent session of the Legislature.'

In these administrative units where state subsidy for 1959 under sections 237-D and 237-E, would have been greater than the subsidy calculated under sections 237-D and 237-E, as revised by this act, the subsidy for the year 1959 shall be the larger of these 2 subsidies.

Sec. 17. R. S., c. 41, § 237-E, amended. The 2nd and 3rd paragraphs of section 237-E of chapter 41 of the Revised Statutes, as enacted by section 1 of chapter 364 of the public laws of 1957 and as repealed and replaced by section 1 of chapter 443 of the public laws of 1957, are amended to read as follows:

'The several administrative units (cities, towns, plantations and School Administrative Districts) shall be divided into 21 classifications according to their valuations per resident school child being educated at public expense. The valuation shall be the tentative list as determined by the Board of Equalization in the statement filed by it in July, as provided in chapter 16, section 67, and effective on September 1st and the number of children shall be the average of the last enrollment reports of resident pupils being educated at public expense on April 1st annually except that for the year 1958 allocations shall be based on the Board of Equalization statement filed on December 1, 1956. Such computation shall be subject to correction in accordance with the final statement filed by the Board of Equalization on December 1st.

For each classification, except school administrative districts, the subsidy allocation thereafter shall be the same for each of the 2 years of the biennium and shall be the applicable percentage of the average net foundation program allowance for the preceding 2 years, as defined in section 237-D obtained from Table II below. Subsidy for school administrative districts shall be computed in accordance with section 237-E.'

Sec. 18. R. S., c. 41, § 237-E, amended. The 6th paragraph from the end of section 237-E of chapter 41 of the Revised Statutes, as enacted by section 1 of

chapter 364 of the public laws of 1957 and as repealed and replaced by section 1 of chapter 443 of the public laws of 1957, is repealed and the following paragraphs enacted in place thereof:

'When a school administrative district is formed during the biennium, following January 1st of a legislative year, the subsidy for the school administrative district during that biennium shall be computed as follows:

The subsidy for a newly formed school administrative district shall be the sum of the amounts that the towns would have received plus a 15% bonus. During the next succeeding biennium a school administrative district, regardless of the previous net operating costs of the subordinate administrative units, shall receive its subsidy based on the average net foundation program of the district plus the additional bonus as provided in section 237-G.'

Sec. 19. R. S., c. 41, § 237-E, amended. The 5th paragraph from the end of section 237-E of chapter 41 of the Revised Statutes, as enacted by section 1 of chapter 364 of the public laws of 1957 and as repealed and replaced by section 1 of chapter 443 of the public laws of 1957, is amended to read as follows:

'Any administrative unit, except those to which footnotes 1 or 2 of Table I, section 237-D, are applicable, in which the average net operating cost in any biennium exceeds the amount of the average net foundation program allowance shall be entitled to an additional subsidy allocation on that part of its average net operating cost which exceeds its net foundation program allowance, ~~said subsidy to be computed by multiplying the amount that the average net operating cost exceeds its net foundation program allowance by 10% of the percentage to which said administrative unit is entitled to receive in Table II.~~

Sec. 20. R. S., c. 41, § 237-F, repealed and replaced. Section 237-F of chapter 41 of the Revised Statutes, as enacted by section 1 of chapter 364 of the public laws of 1957 and as repealed and replaced by section 1 of chapter 443 of the public laws of 1957, is repealed and the following enacted in place thereof:

'Sec. 237-F. State support of foundation program in School Administrative Districts based on uniform tax effort. Notwithstanding any other provisions of the law, the state support of the foundation program for school administrative districts shall be computed as follows: Every School Administrative District shall appropriate 14.9 mills based on its current state valuation as its share under the foundation program and the State shall contribute the remainder, except that no School Administrative District shall be required to appropriate more than 82% of the amount of the net foundation program, and except that no School Administrative District shall receive less subsidy than it would have received by using Table II of section 237-E. If any School Administrative District fails to appropriate 14.9 mills, except in the case where less than 14.9 mills will produce 82% of the net foundation program, the School Administrative District will receive aid on the percentage that the number of mills appropriated bears to 14.9 mills.'

Sec. 21. R. S., c. 41, § 237-G, amended. Section 237-G of chapter 41 of the Revised Statutes, as enacted by section 1 of chapter 364 of the public laws of

1957 and as repealed and replaced by section 1 of chapter 443 of the public laws of 1957, is amended to read as follows:

'Sec. 237-G. Supplemental state aid for reorganized districts. When administrative units are reorganized by the formation of "School Administrative Districts" as provided in sections 111-A to 111-U, the state subsidy paid annually to each such district, as determined in section 237-E, shall be supplemented by an additional ~~10% of the percent to which it is entitled through the computation in section 237-E~~ 15% of that amount for the first 4 annual payments and 10% of the subsidy paid annually thereafter.

In the event that the School Administrative District, within ~~3~~ 4 years of the time of its formation, fails to provide the following, the additional bonus payable under section 237-G shall not be paid the district thereafter until such time as such provisions are made:

I. A program which includes pre-primary or kindergarten through grade 12;

II. One secondary facility serving all of the pupils in grades ~~9-12~~ 9 through 12 in the district. Said facility may be constituted as a 4-year school, or combined with grades 7 and 8 to form a 6-year school or 2 or more 3-year schools, **except for children living remote from a public school as provided in section 93.'**

Sec. 22. R. S., c. 41, § 237-H, amended. The first 2 paragraphs of section 237-H of chapter 41 of the Revised Statutes, as enacted by section 1 of chapter 364 of the public laws of 1957 and as repealed and replaced by section 1 of chapter 443 of the public laws of 1957, are repealed and the following paragraphs enacted in place thereof:

'To provide further incentive for the establishment of larger school administrative districts, the commissioner shall allocate state financial assistance to School Administrative Districts on school construction approved subsequent to the formation of such districts. No financial assistance shall be paid until the school construction has been completed and a full report of the cost of said construction and other expenses for capital outlay purposes is made to the commissioner. The report shall be in such form as the commissioner shall determine and shall include, but not be limited to, the following: The amount of money contributed by the district, the amount of money borrowed for capital outlay purposes, the time within which said borrowed funds are to be repaid and the total amount to be repaid and the amount to be repaid each year, the amount of interest to be paid each year and the rate of interest, the amount of rental due the Maine School Building Authority under lease agreement between the Maine School Building Authority and the district. On the basis of all the reports on file in the office of the commissioner on November 1st of each year, the commissioner shall determine the total amount to be paid to all of the School Administrative Districts and other eligible administrative units in that year, for capital outlay purposes, and shall apportion out of moneys appropriated for this purpose, in December of that year, to the School Administrative Districts and other eligible administrative units, the same percentage of each administrative unit's expenditures for capital outlay purposes including principal and interest payments and any rental payments under lease agreements between the administrative

units and the Maine School Building Authority as each administrative unit would be entitled to receive in that year based on Table II of section 237-E. In addition to the foregoing, if the district has contributed money to defray all or part of the cost of capital outlay construction, the commissioner shall determine the amount payable to the district for this expenditure; but the commissioner shall have the discretion to pay the entire amount due in one year or he may determine that payment shall be made over a period not to exceed 5 years. The commissioner, after making a determination as to the payment period, may change the payment period to a shorter period than his original determination, but shall not have the power to extend the payment period after his original determination. Said apportionment shall apply in other administrative units when in the judgment of the Legislature, on recommendation of the commission, the formation of a School Administrative District by consolidation is not geographically or educationally practical.

When a municipality having more than 300 resident pupils educated at public expense in grades 9 through 12 has contracted with a School Administrative District to educate all of the pupils in said district in grades 9 through 12, for a period of 20 years, said municipality shall, during the life of said contract, be paid out of moneys appropriated and apportioned for the purposes of this section, the percentage of said municipality's expenditures for capital outlay purposes as is payable to municipalities falling in Class 21, under Table II, in section 237-E, irrespective of the municipality's actual classification as computed under Table II in section 237-E.'

Sec. 23. R. S., c. 41, § 249, amended. The first sentence of the 2nd paragraph of section 249 of chapter 41 of the Revised Statutes, as amended by section 103 of chapter 364 of the public laws of 1957 and by section 35 of chapter 443 of the public laws of 1957, is further amended to read as follows:

'No contract, lease or agreement between an administrative unit and the authority shall be valid unless first approved by the vote of a majority of the residents of a town **voting on this question**, or of each town involved in the case of a community school district voting on this question, or by the residents of a School Administrative District in the manner provided in section 111-T.'