

Part _____

Amend the bill by striking out all of Part MM and replacing it with the following:

Sec. 1. 20-A MRSA §1, sub-§3, as enacted by PL 1981, c. 693, §§5 and 8, is amended to read:

3. Board of directors. "Board of directors" means the governing body with statutory powers and duties for a school administrative ~~district~~ unit.

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

5. Community school district. "Community school district" means a state-approved unit of school administration composed of more than one municipality or school administrative district ~~which that~~ that may provide public education for any combination of kindergarten ~~through to~~ to grade 12. This subsection is repealed June 30, 2008.

Sec. 3. 20-A MRSA §1, sub-§6, as corrected by RR 1991, c. 2, §53 and amended by PL 2003, c. 545, §5, is further amended to read:

6. Cooperative board. "Cooperative board" means the governing body with statutory powers and duties for a career and technical education region. This subsection is repealed June 30, 2008.

Sec. 4. 20-A MRSA §1, sub-§8, as enacted by PL 1981, c. 693, §§5 and 8, is amended to read:

8. District board of trustees. "District board of trustees" means a body with statutory powers and duties for a community school district. This subsection is repealed June 30, 2008.

Sec. 5. 20-A MRSA §1, sub-§9, as enacted by PL 1981, c. 693, §§5 and 8, is amended to read:

9. District school committee. "District school committee" means the governing body with statutory powers and duties for a community school district. This subsection is repealed June 30, 2008.

Sec. 6. 20-A MRSA §1, sub-§14, as enacted by PL 1981, c. 693, §§5 and 8, is amended to read:

14. Joint committee. "Joint committee" means the governing body with statutory powers and duties for implementing a contract for secondary education under chapter 115. This subsection is repealed June 30, 2008.

Sec. 7. 20-A MRSA §1, sub-§24-B is enacted to read:

24-B. Regional school unit. Beginning July 1, 2008, "School regional school unit" means the state-approved unit of school administration as established pursuant to chapter 103-A which serves no fewer than 2,500 resident students, with approved exceptions, but no more than 80 regional school administrative units statewide

Sec. 8. 20-A MRSA §1, sub-§24-CD is enacted to read:

24-C. Regional school unit board. "Regional school unit board" means the governing body with statutory powers and duties for a regional school unit.

Sec. 9. 20-A MRSA §1, sub-§25, as enacted by PL 1981, c. 693, §§5 and 8, is amended to read:

25. School administrative district. "School administrative district" means a state-approved unit of school administration, composed of one or more municipalities ~~which~~ that must provide public education to all public school students in the district. This subsection is repealed June 30, 2008.

Sec. 10. 20-A MRSA §1, sub-§26, as corrected by RR 1993, c. 1, §44 and amended by PL 2003, c. 545, §5, is further amended to read:

26. School administrative unit. Until June 30, 2008, "School school administrative unit" means the state-approved unit of school administration and includes a municipal school unit, school administrative district, community school district 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, 2008, "school administrative unit" means the state-approved unit of school administration and includes the municipal school unit, as established in chapter 111-A, and the regional school unit, as established in chapter 103-A, and shall serve as the sole state-approved school administrative units in the State.

Sec. 11. 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. This subsection is repealed June 30, 2008.

Sec. 12. 20-A MRSA §1, sub-§31, as enacted by PL 1981, c. 693, §§5 and 8, is amended to read:

31. School union. "School union" means a union composed of school administrative units joined for the purpose of providing joint administrative services, including a joint superintendent. This subsection is repealed June 30, 2008.

Sec. 13. 20-A MRSA §1, sub-§34, as enacted by PL 1981, c. 693, §§5 and 8, is amended to read:

34. Special school district. "Special school district" means a school district created by private and special law for the purpose of constructing or adding to school buildings, but ~~which~~ that does not have the authority or responsibility for operating public schools. This subsection is repealed June 30, 2008.

Sec. 14. 20-A MRSA §1, sub-§39, as enacted by PL 1981, c. 693, §§5 and 8, is amended to read:

39. Superintendent. ~~"Superintendent"~~ Until June 30, 2008, "superintendent" means the person in a school administrative unit or school union appointed and having the authority and responsibility under this Title and other applicable statutes. Beginning July 1, 2008, "superintendent" means the person in a regional school unit appointed and having the authority and responsibility under this Title and other applicable statutes.

Sec. 15. 20-A MRSA §1, sub-§40, as enacted by PL 1981, c. 693, §§5 and 8, is amended to read:

40. Union committee. "Union committee" means the governing body with statutory powers and duties for a school union. This subsection is repealed June 30, 2008.

Sec. 16. 20-A MRSA §1, sub-§41, as enacted by PL 1981, c. 693, §§5 and 8, is amended to read:

41. Union school. "Union school" means a school operated by adjoining municipal school units under a joint agreement. This subsection is repealed June 30, 2008.

Sec. 17. 20-A MRSA c. 103, as amended, is repealed.

Sec. 18. 20-A MRSA c. 103-A is enacted to read:

CHAPTER 103-A

REGIONAL SCHOOL UNIT

§1451. Organization of regional school unit

Notwithstanding any other provisions of this Title, this chapter governs the reorganization of school administrative units into regional state-approved units of school administration. It is declared the policy of the State to provide sufficient resources to support the reorganization of school administrative units into regional state-approved units of school administration to provide:

1. Opportunity. Equitable educational opportunity for all students to demonstrate achievement of the content standards of the State's system of learning results established in section 6209;

2. Programs. Rigorous academic programs that meet the requirements of the system of learning results established in section 6209 and that prepare Maine students for college, careers and citizenship;

3. Delivery. Uniformity in the delivery of the academic programs that meet the requirements of the system of learning results established in section 6209;

4. Tax rates. A greater uniformity of school tax rates;

5. Sustainability. The efficient use of limited resources in order to achieve long-term sustainability and predictability in the support of public schools;

6. Public funds. A more effective use of the public funds expended for the support of public schools by means of

A. The creation of more cost efficient organizational structures; and

B. Administrative structures and efficiencies that permit the organized and regular delivery of uniform state-sponsored professional development programs to promote coherence and consistency in the understanding and application of the State's standards-based system for continuous improvement in student achievement.

7. School choice. The preservation or enhancement of existing opportunities for choice of schools; and

8. Services. The maximization of opportunities to deliver services that can more effectively be provided in larger districts than from within smaller units or individual schools.

§1452. Reorganization of school administrative units

Beginning July 1, 2008, school administrative units shall be reorganized to create a regional state-approved unit of school administration that serves no fewer than 2,500 resident students, with approved exceptions, but not more than 80 regional school administrative units statewide. Regional school units shall provide prekindergarten to grade 12 public education, in accordance with this Title, and shall develop and implement policies that address efficiencies in

administration, educational programming and the sharing of community resources for the continuous improvement of student achievement and the preparation of students for college, careers and citizenship.

1. Plans for reorganization of school administrative units into regional school units.

On or before June 1, 2007, the Commissioner of Education shall design one or more plans for the reorganization of school administrative units into regional school units that ensure that each regional school unit serves no fewer than 2,500 resident pupils, with approved exceptions, but not more than 80 regional school administrative units statewide. The commissioner shall have flexibility in granting exceptions from this requirement for those units with geographic, demographic, economic, transportation, population density or other unique circumstances.

2. Parameters of reorganization plans for regional school units. In developing a reorganization plan for school administrative units in existence during the 2007-08 school year, the governing bodies of existing school administrative units shall work within the following parameters:

A. The plan may not displace teachers or students or close any schools existing and operating during the 2007-08 school year except as permitted under section 1484; and

B. The plan must reorganize administrative functions, duties and non-instructional personnel in order that the following be accomplished:

(1) The projected expenditures of the reorganized school unit in fiscal year 2008-09 for transportation, special education and facilities and maintenance must be 5% less than the projected transportation, special education and facilities and maintenance expenditures of each of the participating school administrative units in fiscal year 2007-08;

(2) The projected expenditures of the reorganized school unit in fiscal year 2008-09 for system administration must be no more than the legislatively approved essential programs and services system administration rate established for 2008-09; and

C. School administrative units that serve 2,500 or more students existing and operating during the 2006-07 school year and those school administrative units granted an exception by the commissioner shall also submit a plan to the commissioner to comply with the provisions of subparagraphs (1) and (2).

3. Reorganization Planning Committee. (DOE to provide language)

4. Public meetings. Communities may hold one or more public meetings to inform citizens of the process and potential plans to reorganize to regional school units, to gather input from community members and to determine the sentiment of the public.

5. Department of Education responsibilities. The department shall have the following responsibilities in the implementation of this chapter:

A. Preparing one or more models for the reorganization of school administrative units consistent with the provisions of subsection 1;

B. Assisting all of the governing bodies of school administrative units in the collection and presentation of data pertinent to the charge established by this chapter;

C. Assisting in the organization of the meetings and caucuses convened by the governing bodies of the school administrative units to prepare reorganization plans as provided in subsection 1;

D. Providing or contracting for facilitation services to be provided to the governing bodies of the school administrative units to ensure their ability to fulfill the charges required by this chapter;

E. Adjusting EPS rates for transportation, facilities and maintenance, special education and system administration expenditures to reflect the ongoing efficiencies resulting from the reorganization of school administrative units;

F. Convening meetings among existing bargaining units to assist in the merging of bargaining units into new regional bargaining units; and

G. Submitting a report to the Legislature no later than February 1, 2008 that describes the compliance of the participating school administrative units with the requirements of this chapter.

6. Notification of intent to accept plan. By July 31, 2007, school administrative units shall submit written notification to the Department of Education of the reorganization plan accepted by the existing school administrative unit. The letter of intent should include the districts to be reorganized and a request for technical assistance from the Department.

7. Notification of intent to submit alternative plan. School administrative units may submit written notification to the Department of Education of the school administrative unit's intent to submit an alternative plan. The alternative plan must be consistent with the goals and purposes of this chapter and must adequately address the matters described in §1452 (1) and (2). If a school administrative unit submits written notification to the Department of Education of the school administrative unit's intent to submit an alternative plan, that plan must be submitted by July 31, 2007. The Commissioner shall approve or disapprove the alternative plan request by August 15, 2007.

8. Submission of school administrative unit reorganization plan. School administrative units shall submit a completed reorganization plan approved by the commissioner and consistent with §1452 (1) and (2) on or before November 15, 2007. If the commissioner finds that a plan for reorganization is not consistent with the purposes and goals of this chapter, or that it has not adequately addressed the matters set forth in §1452 (1) and (2), the commissioner shall return the plan to the governing bodies of the school administrative units by December 1, 2007 with specific suggestions for modification of the plan. In that event, the governing bodies of the school administrative units shall revise the proposed plan for reorganization to address the commissioner's findings and submit a revised plan for reorganization not later than December 21, 2007. The commissioner shall approve or disapprove the revised plan for reorganization by December 31, 2007 and notify the State board of Education of the status of all submitted reorganization plans as well as those school administrative units who have not submitted plans. If a plan or revised plan for reorganization has been approved by the commissioner by December 31, 2007, the State Board of Education shall issue a certificate of organization to the school

administrative units that are reorganized into regional school units no later than January 15, 2008. The plans for reorganization shall address at a minimum the following matters consistent with the requirements established in §1451:

- A. The school administrative units to be included in the proposed reorganized regional school unit;
- B. The size, composition and apportionment of the governing body;
- C. The method of voting of the governing body;
- D. The inclusion of at least one publicly supported secondary school;
- E. The disposition of real and personal school property;
- F. The disposition of existing school indebtedness and lease purchase obligations if the parties elect not to use the provisions of section 1482 regarding the disposition of debt obligations;
- G. The assignment of school personnel contracts, school collective bargaining agreements, and other school contractual obligations;
- H. The disposition of existing school funds, including undesignated fund balances, trust funds, reserve funds, and other funds appropriated for school purposes;
- I. A transition plan that addresses the development of a budget for the 2008-2009 school year and interim personnel policies;
- J. Such other matters as the governing bodies of the existing school administrative units may determine to be necessary; and
- K. Documentation of the one or more public meetings held to review the reorganization plan.

9. Authority of State Board of Education to reorganize school administrative units.

If a governing body of a school administrative unit does not choose a reorganization plan or submit a proposed reorganization plan as required by this section, or if a reorganization plan is disapproved by the commissioner, the State Board of Education is authorized to develop and approve a reorganization plan by January 15, 2008 for the school administrative units that has not met the school reorganization requirements of this chapter. The State Board of Education reorganization plan must be designed to achieve the goals and purposes of this chapter, including the matters described in §1452 (1) and (2). The State Board of Education shall issue a certificate of organization to the school administrative units that are reorganized into regional school units pursuant to this subsection.

10. School administrative districts over 2,500. School administrative districts with more than 2,500 students that do not reorganize into a regional school unit with another school administrative unit shall be reconstituted into a regional school district without further action by that board. The State Board of Education shall issue a certificate of organization to the school

administrative districts that are reconstituted into regional school units no later than January 15, 2008.

§1453. Application of general law

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.

§1454. Regional school unit board of directors

Regional school unit boards of directors must be established as follows.

1. Size. The size of each regional school unit board of directors must be determined by a joint meeting of all the municipalities within the regional school unit. Each regional school unit board of directors must include at least one director from each municipality or subdistrict.

2. Term of office. In municipalities with annual elections, directors serve 3-year terms. In municipalities with biennial elections, directors serve 4-year terms. A director serves until a successor is elected and qualified.

3. Compensation. Compensation for attendance at a regional school unit board meeting must be between \$10 and \$25 per meeting. Whenever the directors recommend increasing their compensation, they shall submit their recommendation to the voters in the regional school unit for approval.

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

"Do you favor paying a member of the regional school unit board of directors compensation at the rate of \$... for each meeting that member attends?"

B. An increase in compensation is not effective unless approved by a majority of the voters voting on the question.

4. Secretary and treasurer. The superintendent serves as secretary and treasurer of the regional school unit board and shall give a bond to the regional school unit board of a sum and with the sureties as the regional school unit determines. The bond must be deposited with the chair. The expense of that bond must be paid by the regional school unit. The bond premium, compensation paid directors for attendance at meetings and expenses of the regional school unit must be paid from funds of the regional school unit by the treasurer on vouchers presented and certified by the superintendent and approved by a majority of the regional school unit board or a finance committee duly elected annually by that board.

5. Oath of office. Before a newly elected director's first board meeting, that director must take the following oath or affirmation before a dedimus justice or notary public.

"I do swear that I will faithfully discharge to the best of my abilities the duties incumbent on me as a regional school unit board director of (name of regional school unit) according to the Constitution of Maine and laws of this State. So help me God."

A. A director shall take the oath or affirmation and return a certificate documenting that the oath has been taken to the secretary of the regional school unit to place in the regional school unit board records.

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

6. Election of officers. . The board of directors shall elect a chair and vice-chair and other officers as may be necessary.

§1455. Methods of apportionment

1. Method A: Subdistrict representation. Under the method of representation referred to as "Method A," directors represent subdistricts.

A. The subdistricts, as far as practicable, must be whole municipalities. If the municipalities are divided into subdistricts, then they must be divided into subdistricts of approximately equal size as determined by the latest Federal Decennial Census or Federal Estimated Census. The municipal officers shall provide a separate voting place for each subdistrict of the municipality.

B. The boundaries of each subdistrict must be determined by a majority vote of the reapportionment committee under section 1458. Each subdistrict must have one director, except that in a municipality composed of 2 or more subdistricts, the joint meeting may authorize the election of directors-at-large.

2. Method B: Weighted votes. Under the method of representation referred to as "Method B," directors cast weighted votes.

A. The reapportionment committee shall apportion 1,000 votes among all the members of the board. The ratio of the number of votes cast by the directors representing a municipality in relation to the number 1,000 must be the same ratio to the nearest whole number as the population of the municipality is in relation to the population of all municipalities in the regional school unit, as determined by the latest Federal Decennial Census or Federal Estimated Census.

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

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

D. In a municipality served by 2 or more directors, the votes cast by them must be divided equally among them. The directors are elected at large within the municipality unless otherwise provided by municipal charter.

3. Method C: At-large voting. Under the method of representation referred to as "Method C," directors are elected at large by all of the voters in the regional school unit.

4. Method D: Other. Under the method of representation referred to as "Method D," directors are elected by any method other than those set forth in subsections 1, 2 and 3 that meets the requirements of the one-person, one-vote principle.

§1456. Election

For the purpose of nominations, regional school unit board directors are considered municipal officials and must be nominated in accordance with Title 30-A, chapter 121 or with a municipal charter, whichever is applicable.

1. Initial meeting on regional school unit formation. On the election of the regional school unit board of directors, the clerk of each municipality within the regional school unit shall forward the names and addresses of the directors elected for that municipality to the state board with other data with regard to their election as the state board may require. On receipt of the names and addresses of all of the directors, the state board shall set a time, place and date for the first meeting of the directors and give notice to the directors in writing, sent by registered or certified mail, return receipt requested, to the addresses provided by the municipalities.

2. Special provisions. In the election for representation under the methods provided under section 1455, the following apply.

A. In an election under Method A pursuant to section 1455, subsection 1:

(1) Within 60 days, but no earlier than 45 days after notification by the board of directors of the approval or reapportionment plan under section 1458, the municipal officers shall call a special election to elect directors to serve under the plan for the regional school unit;

(2) Nomination papers must be furnished by the secretary of the regional school unit at least 10 days before the deadline for filing of nomination papers. Notwithstanding any other section of this Title, directors must be nominated by obtaining a minimum of 25 and a maximum of 50 signatures of registered voters residing within a subdistrict. The secretary shall notify the municipal officers of the names of candidates in each subdistrict;

(3) The ballots must be prepared in accordance with subparagraph (7);

(4) The clerks of each municipality shall forward to the secretary of the regional school unit the results of the vote by subdistrict;

(5) The regional school unit board shall meet and total the votes cast for each candidate within each subdistrict and shall immediately notify the clerks in each municipality, the candidates and the commissioner of the results of the vote;

(6) The terms of the directors elected under the original municipal representation system cease on the date that the newly elected directors are sworn into office; and

(7) Notwithstanding any other provision of statute, directors must be elected by secret ballot. The ballots must be prepared for and distributed to the municipalities or subdistricts by the secretary of the regional school unit.

B. In an election under Method B pursuant to section 1455, subsection 2:

(1) Reductions in the number of directors must take place in accordance with this chapter;

(2) Additional directors must be added in accordance with this chapter; and

(3) The term of office of additional directors must be determined in accordance with this chapter.

C. In an election under Method C pursuant to section 1455, subsection 3:

(1) Nominations for directors must be made on petitions provided by the regional school unit secretary. The petitions must be signed as provided in Title 30-A, section 2528, subsection 4, or if the candidate is a voting resident in a municipality having less than 200 population, signed by at least 20% of the registered voters of that municipality;

(2) The petitions must be submitted to the registrar of voters in the respective municipalities for certification of the voting residence of the director nominated and of the voters signing the petition;

(3) The registrar of voters must return the certified petitions to the regional school unit secretary not later than 30 days prior to the date of the annual election to be held in the municipality;

(4) The ballot must be prepared and distributed by the regional school unit secretary. It must give the number of offices to be filled and list the candidates by municipalities or subdistricts in which they are resident;

(5) Notwithstanding any other provision of law, regional school unit board directors must be elected by secret ballot;

(6) If all member municipalities do not conduct the election for directors on the same date, then all ballots cast in the elections must be impounded by the clerk of each municipality:

(a) After all municipalities have voted, the clerks and one or more election supervisors designated by the municipal officers of each municipality shall meet at an agreed upon location and tally the ballot;

(b) The tally must be completed within one day of the last member municipality election;

(c) The election supervisors shall select from among their members a chair, who shall supervise the tally of ballots; and

(d) The clerk of each municipality shall as promptly as possible after the election certify to the regional school unit board of directors the result of the voting in that municipality; and

(7) Any recount petitions must be filed with the secretary of the regional school unit community and recounts must be conducted in each member municipality in accordance with the applicable laws.

§1457. Vacancies

1. Definition of vacancy. A vacancy on a regional school unit board occurs:

A. When the term of the office of a regional school unit board director expires;

B. When a regional school unit board director changes residency from the municipality or subdistrict from which elected. Evidence that an individual is registered to vote in a municipality is prima facie evidence of that individual's residency;

C. On the death of a regional school unit board director; or

D. When a regional school unit board director resigns.

In addition to paragraphs A, B, C and D, except in municipalities having a municipal charter, when a director is absent without excuse from 3 consecutive regular board meetings, the board may declare that a vacancy exists.

2. Regional school unit board. The regional school unit board shall notify the municipal officers of the municipalities within the regional school unit of the vacancy before the annual town meeting or before the regular city election.

3. Filling vacancies. A vacancy on a regional school unit board must be filled as follows.

A. The municipal officers of the municipality in which the director resided shall select an interim director for the municipality or subdistrict to serve until the next annual municipal election. The interim director shall serve until a successor is elected and qualified.

B. The municipal officers shall provide at the next municipal or subdistrict election for the election of a director to fill the vacancy.

§1458. Reapportionment

The commissioner shall determine the necessity for reapportionment.

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

A. The commissioner receives a request by the regional school unit board of directors; or

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

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

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

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

3. Findings and order. If the commissioner finds the regional school unit representation is not apportioned in accordance with the principle of one person, one vote, the commissioner shall, within 7 days of that decision, notify the superintendent of the finding and shall order the superintendent to notify the municipal officers in each municipality in the regional school unit and the regional school unit board to create a reapportionment committee. The superintendent's notification must include the commissioner's notification, the information provided pursuant to subsection 6 and the time and place for the first meeting of the committee, which must be held not later than 20 days after the notification.

4. Reapportionment committee membership. The reapportionment committee consists of one municipal officer and one citizen at large from each member municipality, chosen by the municipal officers, and one director from each municipality, chosen by the board of directors. The appointments must be made prior to the first meeting of the committee.

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

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

7. Duties of the reapportionment committee. The committee shall:

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

B. Consider and by majority vote adopt a plan including the method of representation, total number of directors and number of directors representing each municipality or subdistrict; and

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

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

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

10. Putting the approved plan into effect. On approval of a plan, the commissioner shall send a certified copy to the municipal officers and regional school unit board of directors. The original plan must be retained in the department files.

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

B. If the approved plan requires a reduction of the number of directors to be elected in a municipality, the reduction must be achieved in accordance with this paragraph.

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

(2) If the reduction cannot be achieved in accordance with subparagraph (1) and the plan is approved and filed less than 30 days prior to the annual municipal election, the number of open positions to be filled by the election process must be reduced to the number required by the approved plan.

(3) If the reduction cannot be achieved in accordance with subparagraph (1) or (2), or a combination of the 2, all of the remaining existing directors representing the municipality shall choose by lot which directors' terms must terminate.

C. If the approved plan requires that additional directors be elected in a municipality, the municipal officers shall fill the vacancies by appointment. A new director serves until a successor is elected and qualified at the next annual municipal election.

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

11. Duties of present directors during reapportionment. The regional school unit board of directors, during the reapportionment of its membership, serves as legal representatives of the regional school unit until the reapportionment is completed. The board shall carry out all business of the regional school unit, including the borrowing of necessary funds that may be required during the period of reapportionment.

12. State board review of commissioner's decisions. A regional school unit board or interested parties may request that the state board reconsider decisions made by the commissioner in this section. The state board has the authority to overturn a decision made by the commissioner. In exercising this power, the state board is limited by this section.

13. Rules. The state board may adopt rules to carry out this section. Rules adopted pursuant to this section are routine technical rules pursuant to Title 5, chapter 375, subchapter 2-A.

§1459. Powers and duties

The regional school unit board of directors:

1. **Regional school unit name.** May select an unofficial name for the regional school unit;
2. **Finance committee.** May elect a finance committee of 3 or more members who must be directors;
3. **Operating schools.** Shall authorize and oversee the operation of elementary schools;
4. **Purchase of land outside the regional school unit.** May purchase land outside of the geographical limits of the regional school unit and erect a school on it if, because of the location of other schools within the regional school unit or transportation difficulties, a school within the regional school unit would not be in the best interests of the regional school unit community;
5. **Bylaws.** Shall adopt bylaws for the regulation of the affairs of the regional school unit board and the conduct of its business; and
6. **Gifts.** May accept and receive money or other property, outright or in trust, for any specified benevolent or educational purpose. The regional school unit board shall comply with the following in accepting gifts.
 - A. If the board receives written notice from a prospective donor or a representative of the donor of a proposed gift, the board shall submit the matter to the next regular meeting of the board or shall call a special meeting. The board shall, within 10 days after the meeting, send written notice to the prospective donor or representative of its acceptance or rejection.
 - B. If the gift is in trust, the board shall cause the trust funds to be deposited or invested according to Title 30-A, chapter 223, subchapter 3-A.
 - (1) Unless prohibited by a trust instrument, the regional school unit may treat any 2 or more trust funds as a single fund for the purposes of investment.
 - (2) After deduction for management expenses, any interest earned or capital gains realized must be prorated among the various trust funds.
 - (3) Property or securities included in the corpus of a trust fund must be retained where the trust instrument so provides.
 - (4) Unless otherwise specified in the trust instrument, only the annual income from the trust fund may be spent.
 - (5) If the regional school unit fails to comply with the terms of the trust instrument, the trust fund reverts to the donor or the donor's heirs.
 - C. If the money or other property is a conditional gift for any specified benevolent or educational purpose, the following applies.
 - (1) Prior to the acceptance of a gift, the board of directors must obtain approval of the legislative body of the regional school unit.
 - (2) When the donor's part of the agreement respecting the execution of the conditional gift has been completed, the regional school unit shall perpetually comply with, and may raise money to carry into effect, the conditions upon which it was made.
 - (3) Unless otherwise specified by its terms, a conditional gift of money must be deposited or invested according to Title 30-A, chapter 223, subchapter 3-A.

§1460. Quorum

At least a majority of the regional school unit board of directors in number and voting power constitutes a quorum.

§1461. Advisory Council. School administrative units that are reorganized into regional school units may create school advisory councils comprised of citizens of member municipalities to provide advice and counsel to the regional school unit board of directors.

§1462. Program

A regional school unit shall maintain a program that includes kindergarten to grade 12.

1. Secondary school. Secondary school facilities may be operated as 4-year schools, a 6-year school for grades 7 to 12 or 2 or more 3-year schools, except that students living in an area remote from a public school may be provided for under section 5204.

2. Contracts for secondary school programs. In addition to the provisions for a secondary school facility set forth in subsection 1, a regional school unit may contract with a nearby regional school unit or with a private school approved for tuition purposes for all or part of its secondary school pupils. The contract may run from a period of 2 to 10 years. The contract must also comply with section 2703 and may provide for the formation of a joint committee in accordance with section 2704. A regional school unit in which a school administrative unit in existence prior to June 30, 2008 has contracted for secondary school programs is bound by the terms of that contract, unless otherwise negotiated by the parties.

3. Expiration of contract. After July 1, 2008, if a contract between the resident school administrative unit and another school administrative unit or a private school approved for tuition purposes expires and the resident school administrative unit is a member of a regional school unit under this chapter, the following provisions apply:

- A. A student from the resident school administrative unit shall have the option of attending a public school in another school administrative unit or private school approved for the receipt of public funds pursuant to chapter 117 subject to the provisions of chapter 219 if that option was available from the school administrative unit in existence prior to June 30, 2008 in which that student resides; and
- B. The regional school unit may negotiate the contract pursuant to Chapter 115.

4. Absence of contract

A student who resides in a school administrative unit that does not maintain that student's grade from kindergarten to grade 12, and that does not enter into a contract for the education of its students pursuant to this chapter, has the option of attending a public school in another school administrative unit or private school approved for the receipt of public funds pursuant to chapter 117 subject to the provisions of chapter 219. Beginning in school year 2008-2009, the same option may be exercised by a student in a regional school unit, if that option was available from the school administrative unit in existence prior to June 30, 2008 in which that student resides.

5. Additional expense. A municipality shall be responsible for the additional expense as follows:

- A. The number of secondary pupils from one or more municipalities attending another regional school unit or an approved private school is less than all the secondary pupils in the remaining member municipalities in a regional school unit.
- B. The additional expense shall be calculated as follows:
 1. The number of secondary pupils from the municipality times the amount that the receiving regional school unit's tuition rate pursuant to section 5805 exceeds the amount of the sending regional school unit's tuition rate pursuant to section 5805; or
 2. The number of secondary pupils from the municipality attending the private school times the amount that the private school's tuition rate pursuant section 5806, or the tuition rate per the contract if less, exceeds the amount of the sending regional school unit's tuition rate pursuant to section 5805.
- C. Any additional expense shall not be included in the regional school unit budget when determining each member municipality's local contribution.
- D. Any additional expense shall be paid by the responsible municipality in equal monthly amount unless the regional school unit and the member municipality agree to another payment schedule.

§1463. Finances

A regional school unit may raise money, in addition to the local contribution pursuant to section 15690-A, subsection 1, for establishing and maintaining public schools, erecting buildings and providing equipment. The additional costs of operating a regional school unit must be shared among all municipalities within the regional school unit by the same local share percentages for each municipality resulting from the determination of the local contribution under section 15688. (Language for honoring cost sharing formula's in P&S Laws, municipalities with zero pupils – still need to address)

§1464. Budget preparation

The school administrative unit budget must be prepared as follows.

1. Preparation by school administrative unit board. The school administrative unit board of directors shall annually prepare a budget for:

- A. Operational costs;
- B. Bonds falling due;
- C. Interest on bonds or other obligations;
- D. Rentals and other charges in a contract; and
- E. Temporary loans.

2. Distribution. At least 7 days before the school administrative unit budget meeting, the board of directors shall make available to the legislative body responsible for final budget approval and residents of the school administrative unit a detailed budget document. The detailed budget document must include a summary of anticipated revenues and estimated school expenditures.

§1465. School administrative unit budget; budget formats

1. Content. Effective July 1, 2008, a school administrative unit shall include in its budget document:

A. The school administrative unit's total cost of funding public education from kindergarten to grade 12, its non-state-funded debt service, if any, and any additional expenditures authorized by law;

B. A summary of anticipated revenues and estimated school expenditures for the fiscal year; and

C. The following statement, including the estimated dollar amount of state retirement payments: "This budget does not include the estimated amount of \$..... in employer share of teacher retirement costs that is paid directly by the State."

§1466. Actions on budget

Effective July 1, 2008, the following provisions apply to approving a school administrative unit budget under this chapter.

1. Checklist required. Prior to a vote on articles dealing with school administrative unit appropriations, the moderator of a regular or special school administrative unit budget meeting shall require the clerk or secretary to make a checklist of the registered voters present. The number of voters listed on the checklist is conclusive evidence of the number present at the meeting.

§1467. Cost center summary budget format

After January 31, 2008, the format of the annual budget of a school administrative unit must be in accordance with this chapter.

1. Cost center summary budget format. The school administrative unit budget must consist of the following cost centers and supporting data:

A. Expenditures:

(1) Prekindergarten to grade 12 instruction;

(2) Instructional support;

(3) Leadership;

(4) Operations;

(5) Transportation; and

(6) Other commitments;

B. Revenue sources:

(1) Total education costs appropriated pursuant to section 15690-A, subsection 1;

(2) Non-state-funded debt service costs approved pursuant to section 15690-A, subsection 2, if any; and

(3) Additional local funds, if any, approved pursuant to section 15690-A, subsection 3, paragraph A;

C. A summary of total regional school unit expenditures;

D. Other optional local data showing the amount and percentage of changes proposed in the state allocation, the local share and the total school administrative unit budget and related information determined appropriate by the school administrative unit board of directors;

E. Data similar to that provided in subsection A for a high performing school administrative unit of a size and demographic profile determined by the Department of Education that is comparable to this school administrative unit; and

F. For fiscal year 2008-09, data documenting state and local savings from the reorganization of school administrative units and the resulting mill rate reduction for each municipality.

2. Budget warrant. The warrant articles presented to the legislative body of the school administrative unit for approval of the school administrative unit budget must correspond to the categories of the cost center summary budget described in subsection 1. In addition to expenditure and revenue cost center summary totals, the board of directors shall provide to voters a reasonably detailed breakdown for each major subcategory within each budget category. The department shall adopt routine technical rules pursuant to Title 5, chapter 375, subchapter 2-A defining and establishing the content of those informational subcategories.

3. Budget approval. A school administrative unit's cost center summary budget must be approved at a school administrative unit budget meeting and by a budget validation referendum as provided in section 1468.

4. Transfer between budget cost center lines. During the year for which the budget is approved using the cost center summary budget format, the school administrative unit board of directors may transfer an amount not exceeding 5% of the total appropriation for any cost center to another cost center or among other cost centers without voter approval.

§1468. Budget validation referendum

After January 31, 2008, the procedure for approval of the annual budget of a school administrative unit must be in accordance with this section and section 1467.

1. Budget validation. Following development of the annual school administrative unit budget and approval at a school administrative unit budget meeting as provided in section 1467, a referendum must be held in the school administrative unit as provided in this section to allow the voters to validate or reject the total budget adopted at the school administrative unit budget meeting.

2. Validation referendum procedures. The budget validation referendum must be held on the 3rd day, other than Saturday, Sunday or a legal holiday, following the scheduled date of the school administrative unit budget meeting. The vote at referendum is for the purpose of approving or rejecting the total school administrative unit budget approved at the school administrative unit budget meeting. The board of directors 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 board of directors for each cost center summary budget category article, the amount approved at the school administrative unit budget meeting, a summary of the total authorized expenditures and, if applicable because of action on an article under §15690-A, subsection 3, paragraph A, a statement that the amount approved at the school administrative unit budget meeting includes locally raised funds amounting to% over and above the school administrative unit's local contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act.

3. Budget validation referendum voting. The method of calling and voting at a budget validation referendum is as provided in sections 1478 and 1479, 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.
- B. The warrant for a school administrative unit budget meeting to be followed by a budget validation referendum may be a consolidated warrant covering both.
- C. The warrant and absentee ballots must be delivered to the municipal clerk at least 7 days before the date of the school administrative unit budget meeting.
- D. Absentee ballots received by the municipal clerk may not be processed or counted unless received after the conclusion of the school administrative unit budget meeting and before the close of the polls.
- E. All envelopes containing absentee ballots received before the conclusion of the school administrative unit budget meeting or after the close of the polls must be marked "rejected" by the municipal clerk.
- F. Except as provided in paragraph G, the article to be voted on must be in the following form.

"Do you favor approving the (name of school administrative unit) budget for the . . . school year that was adopted at the school administrative unit budget meeting on . . . ?

Yes No"

G. An article to be voted on for a budget that includes locally raised funds over and above the school administrative unit's local contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act must be in the following form.

"Do you favor approving the (name of school administrative unit) budget for the . . . school year that was adopted at the school administrative unit budget meeting on . . . and that includes locally raised funds amounting to . . . % over and above the school administrative unit's local contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act?

Yes No"

4. Failure to approve budget. If the voters do not validate the budget approved in the school administrative unit budget meeting at the budget validation referendum vote, the school administrative unit board of directors shall hold another school administrative unit budget meeting in accordance with this section and section 1467 at least 10 days after the referendum to vote on a budget approved by the board of directors. The budget approved at the school administrative unit budget meeting must be submitted to the voters for validation at referendum in accordance with this section. The process must be repeated until a budget is approved at a school administrative unit budget meeting and validated at referendum. If a budget is not approved and validated before July 1st of each year, section 1469 applies.

§1469. Failure to pass budget

If a budget for the operating of the school administrative unit is not approved prior to July 1st, the latest budget as submitted by the board of directors is automatically considered the budget for operational expenses for the ensuing year until a final budget is approved, except that, when the school administrative unit board delays the school administrative unit budget meeting, the operating budget must be approved within 30 days of the date the commissioner notifies the school administrative unit board of the amount allocated to the school administrative unit under section 15689-B or the latest budget submitted by the school administrative unit board of directors becomes the operating budget for the next school year.

§1470. Special budget meeting

The board of directors may call a special budget meeting when it declares an emergency exists. The voters of the school administrative unit may authorize the directors at a special school administrative unit budget meeting to expend additional funds from the school administrative unit's undesignated fund balance or to pledge the credit of the school administrative unit to obtain additional money for the operation of schools. A special budget meeting held on or after July 1, 2008 must be conducted in accordance with sections 1467 and 1468.

§1471. Regional school unit assessments

Regional school unit assessments must follow these procedures.

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

2. **Commitment.** The municipal assessors shall commit the assessment to the constable or collector. Constables and collectors have the authority and powers to collect the regional school unit's taxes as is vested in them by law to collect state, county and municipal taxes.

3. **Installments.** The regional school unit board of directors shall notify the member municipalities of the monthly installments that will become payable during the fiscal year.

4. **Payment.** A municipal treasurer shall pay the amount of the tax assessed in the fiscal year against the municipality to the treasurer of the regional school unit. The payments must be paid in monthly installments on or before the 20th of each month.

5. **Gifts.** A municipality may use the proceeds from gifts or trust funds allocated for educational purposes to pay its share of the assessment.

6. **Enforcement.** If a municipal treasurer fails to pay the installment due, or any part, on the dates required, to initiate collection procedures, the treasurer of the regional school unit may notify the municipal treasurer of the failure to pay. Interest accrues on each unpaid installment at the rate established under Title 36, section 186 beginning on the 60th day after the date the installment is due under subsection 4. If payment of an installment is not made within 60 days after the due date, the treasurer of the regional school unit may initiate an action in Superior Court to compel payment of the delinquent installment. The court shall determine the amount owed by the municipality to the regional school unit and shall order the municipal treasurer to pay all delinquent installments, accrued interest and any court costs and reasonable attorney's fees

incurred by the regional school unit. To ensure prompt payment of the delinquent installments, the court may require that amounts due to the municipality from the State under Title 30-A, section 5681 and Title 36, sections 578 and 685 be paid to the regional school unit until the amount determined by the court is satisfied. The court shall promptly notify the disbursing state agency of the determination and direct the agency to make the required change in payee and the amounts to be paid. If additional funds are needed to satisfy the amount determined by the court to be paid to the regional school unit, the court may order the attachment or trustee process and sale of real or personal property owned by the municipality or the attachment of the municipality's bank accounts or require property tax payments to the municipality to be turned over to the court and may pay the amount owed the regional school unit from the proceeds and return any excess to the municipality.

§1472. Property tax reduction. If under §1471, subsection 1 the municipality's share of the school administrative unit's costs is less than under the prior year's budget, the municipal assessors shall commit an assessment under §1471, subsection 2 that exactly reflects these reduced costs. If the State Tax Assessor determines that a municipality did not reduce assessments as required by this section, the State Tax Assessor shall require that amounts due to the municipality from the State under Title 30-A, section 5681 and Title 36, sections 578 and 685 be paid directly to the property taxpayers of the municipality in an amount equal to the reduction each property taxpayer should have received under this section. The State Tax Assessor shall adopt any routine technical rules pursuant to Title 5, chapter 375, subchapter 2-A necessary to carry out the State Tax Assessor's duties under this subsection. The State Tax Assessor shall promptly notify the disbursing state agency of a determination under this subsection and direct the agency to make the required change in payees and the amounts to be paid.

§1473. Power to borrow money

A regional school unit may borrow money as follows.

1. Regional school unit board of directors. The regional school unit board of directors may borrow money to pay for:

- A. Current operating expenses of the regional school unit if the loans are repaid within 13 months of the date of borrowing and are limited to an amount reasonably required for current operating expenses;
- B. School construction projects as defined in section 15901; and
- C. Minor capital costs as defined in section 15672, subsection 20-A.

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

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

B. Notes or bonds issued by a regional school unit must be signed by the treasurer or assistant superintendent and countersigned by the chair of the regional school unit board of

directors. If coupon bonds are issued, each coupon must be attested by a facsimile signature of the treasurer.

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

3. Temporary notes. Prior to issuing authorized school construction bonds or notes, the regional school unit board of directors may borrow in anticipation of their sale by issuing temporary notes and renewal notes subject to the following.

A. The total face value amount of the temporary notes and renewal notes may not exceed at any one time the authorized outstanding amount of the school construction bonds or notes.

B. If the proceeds of an issue of bonds are used in whole or in part to fund temporary notes, the period during which the issue of bonds is outstanding plus the period of the loan represented by the temporary notes or renewal notes may not exceed 25 years.

C. Temporary notes mature not later than 3 years from the date the first temporary note is issued.

D. Temporary notes and renewal notes are legal obligations of the regional school unit.

E. The board of directors of a regional school unit that has received a certificate of approval of a school construction project pursuant to Title 20, section 3458 to be paid in accordance with the alternate method prescribed in Title 20, section 3460 may borrow in anticipation of unpaid portions of state aid and may issue temporary and renewal notes.

F. If the temporary or renewal notes in anticipation of state aid exceed the aggregate amount of state aid actually received by the regional school unit, the unexpended balance of those notes must be used for the repayment. If an outstanding balance remains, it must be included in the next annual budget and is not subject to change at the regional school unit budget meeting.

4. Early redemption. Bonds or notes issued on behalf of a regional school unit may be made subject to call for redemption, with or without premium, at the election of the regional school unit board of directors before the date fixed for final payment of those bonds or notes. When these bonds or notes are issued, they must contain provisions setting forth the method by which the option to call may be exercised, the procedure for payment in the event of call and the legal effect of making the call.

5. Regional school unit status. Notes and bonds, and loans to pay current operating expenses and contracts are legal obligations of the regional school unit. The regional school unit is a quasi-municipal corporation within the meaning of Title 30-A, section 5701 and all the provisions of that section apply to it.

6. Debt limit. The aggregate principal amount of outstanding bonds or notes issued by a regional school unit for school construction purposes may not exceed, at any one time, 10% of the total of the last preceding state valuation of all the municipalities within the regional school unit plus an amount not to exceed 4% of that total regional school unit valuation set by the state board at the time of the initial approval of the school construction project.

A. Indebtedness in excess of 10% incurred under the law as it existed prior to April 1, 1974 is validated.

B. Outstanding school indebtedness assumed by the regional school unit must be included in its limit of indebtedness, excluding contracts and notes in anticipation of state aid issued pursuant to subsection 3.

C. The percentage limit of the indebtedness for bonds or notes for school construction purposes authorized after April 27, 1967 must be fixed as of the time of authorization by the voters or, if no regional school unit meeting is held to authorize those bonds or notes, upon the expiration of 35 days following passage of a resolution of the board of directors as described in subsection 7.

D. If the issuance of bonds or notes together with all outstanding indebtedness included within the regional school unit's limit of indebtedness would cause the regional school unit's indebtedness to exceed 10% of the total of the last preceding state valuation of all the municipalities within the regional school unit, the regional school unit board of directors may not issue those bonds or notes until it has received a certificate of approval pursuant to Title 20, section 3458.

E. If a certificate of approval under Title 20, section 3458 indicates that the state board has authorized state aid to be paid in accordance with the alternate method prescribed by Title 20, section 3460, the total estimated amount of state aid payable on account of the school construction project described in the certificate of approval must be treated as outstanding school indebtedness for the purpose of computing the borrowing capacity of the regional school unit to finance that project by issuing its bonds or notes. State aid is determined by applying the applicable percentage of state aid to the total estimated cost of the project, as set forth in the certificate of approval.

7. Bonds and notes under 1% of valuation. The regional school unit board of directors may issue bonds or notes not to exceed 1% of the last preceding state valuation of all the municipalities within the regional school unit:

A. By calling a regional school unit meeting to approve the issuance of those bonds or notes;
or

B. By passing a resolution to that effect, setting forth the amount of the proposed issue and the purposes for which the proceeds will be used and meeting the following requirements.

(1) The secretary of the board shall, within 5 days of the date of the passage of the resolution, cause attested copies of the resolution to be posted in 3 public and conspicuous places within each of the municipalities within the regional school unit. The secretary shall make a return of the posting stating its time and place. The return must be kept with the records of the regional school unit, and a copy of the return must be mailed to each of the municipal officers of each municipality within the regional school unit.

(2) If, within 35 days of the date of the passage of the resolution, petitions with signatures of at least 10% of the residents in the regional school unit eligible to vote on the date that the resolution was adopted are filed with the secretary requesting a vote of the regional school unit to approve or disapprove the issuance of the bonds or notes, the secretary shall immediately notify the board. The board shall call a referendum for that purpose as set forth in this chapter.

(3) The board may not authorize bonds or notes by resolution if the amount of the proposed issue, together with the amount of any other bonds or notes authorized solely by resolution and that are for the same purpose, exceeds 1% of the total of the last state valuation of all the participating municipalities.

§1474. Reserve fund

A regional school unit may establish a reserve fund as follows.

1. Establishment. A regional school unit may establish a reserve fund for school construction projects, financing the acquisition or reconstruction of a specific or type of capital

improvement or financing the acquisition of a specific item or type of capital equipment by including a request in the regional school unit budget and receiving voter approval. The regional school unit board of directors is the trustee of the reserve fund. The reserve fund must be deposited or invested by the treasurer under the direction of the regional school unit board.

2. Deposit or investment. All regional school unit funds, including reserve funds and trust funds to the extent not prohibited by the terms of the instrument or vote creating the fund, must be deposited or invested by the treasurer under the direction of the regional school unit board of directors according to the requirements for the deposit or investment of municipal funds contained in Title 30-A, chapter 223, subchapter 3-A.

3. Expending money from reserve funds. The regional school unit board of directors may expend the sum in the reserve fund when authorized to do so by a vote of the regional school unit at a regional school unit meeting or a regional school unit budget meeting when an article for that purpose is set out in the warrant calling the meeting.

§1475. Bid procedure

This section applies to bids.

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

2. Time of opening. A director on the regional school unit board or an employee of the regional school unit may not open a bid until the appointed time.

3. Public opening. At the time and place stated in the public notice, and open to the public, all bids must be opened by the superintendent or, in the superintendent's absence or disability, by any director designated for the purpose by the chairman of the board of directors.

4. Reading. If any citizens who are not regional school unit board directors or employees of the regional school unit are present or if any representatives of the press are present, bids must at the time either be made available for examination by them or must be read aloud in a manner to be heard plainly by those in attendance.

§1476. Void contracts

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

§1477. Regional school unit referendum

1. Authority to call a regional school unit referendum. The regional school unit board shall initiate a regional school unit referendum:

- A. To approve the issuance of bonds or notes for school construction projects;
- B. To approve a change in the selection of a school building site;
- C. To authorize the board of directors to contract for the schooling of secondary pupils;
- D. To accept or reject a prospective gift; and

E. To borrow funds for minor capital costs as defined in section 15672, subsection 20-A.

§1478. Method of calling a regional school unit referendum

A regional school unit referendum must be initiated by a warrant prepared and signed by a majority of the regional school unit board of directors. The warrant must be countersigned by the municipal officers in the municipality where the warrants are posted.

1. Municipal officers. The warrant must direct the municipal officers within the regional school unit to call a referendum on a date and time determined by the regional school unit board of directors. A warrant must be prepared and distributed at least 30 days prior to the date of the referendum, except that a warrant for a regional school unit budget referendum held in accordance with this chapter must be prepared and distributed at least 14 days prior to the date of the referendum.

A. The warrant must be directed to a resident of the regional school unit by name, ordering the resident to notify the municipal officers of each of the municipalities within the regional school unit to call a town meeting or city election on the date specified by the regional school unit board of directors. No other date may be used. The person who serves the warrant shall make a return on the warrant stating the manner of services and the time when it was given.

B. The warrant must be served on the municipal clerk of each of the municipalities within the regional school unit by delivering an attested copy of the warrant in hand within 3 days of the date of the warrant. The municipal clerk, on receipt of the warrant, shall immediately notify the municipal officers within the municipality. The municipal officers shall forthwith meet, countersign and have the warrant posted.

C. The warrants and other notices for the referendum must be in the same manner as provided in Title 21-A, except that the regional school unit board of directors shall hold a public hearing at least 7 days before the referendum vote. At least 7 days before the public hearing, the regional school unit board of directors shall give notice of the public hearing by having a copy of the proposed referendum, together with the time and place of hearing, posted in the same manner required for posting a warrant under this section.

2. Content of the warrant. The warrant must set forth the articles to be acted on in each municipal referendum. The articles must have the following form.

A. On or after July 1, 2008, when a referendum is called for the purpose of authorizing the issuance of bonds or notes for capital outlay purposes, the articles must be substantially as follows.

(1) "Do you favor authorizing the board of directors of (name of regional school unit) to issue bonds or notes in the name of this regional school unit for school construction purposes in an amount not to exceed \$..... to construct a (elementary or secondary school) to be located at..... (specifically defined lot where school is to be erected)

Yes No"

(2) "Do you favor authorizing the board of directors of (name of regional school unit) to issue bonds or notes in the name of this regional school unit for school construction or minor capital projects in an amount not to exceed \$..... for the purpose of (purpose of school construction project)

Yes No"

(3) "Do you favor authorizing the board of directors of (name of regional school unit) to use the bond issue or notes in an amount not to exceed \$..... which was voted by the regional school unit on (date) to construct a (elementary or secondary school) to be located at (specifically defined lot where school is to be located)

Yes No"

(4) "Do you favor authorizing the board of directors of (name of regional school unit) to construct a (elementary or secondary school) to be located at (specifically defined lot where school is to be located) with the total project cost not to exceed \$..... and to issue bonds or notes in the name of this regional school unit for school construction purposes in an amount not to exceed \$..... with the balance of the total project costs to be derived from (description of other sources of funds such as initial state share where approved for current fiscal year funding, proceeds from insured losses, money from federal sources, other noneducational funds, etc.)

Yes No"

B. When a regional school unit votes to change the site of its school construction project using the article in paragraph A, subparagraph (3), the date of authorization of the project is the original date the voters authorized the regional school unit board to issue bonds or notes for that project.

C. On or after July 1, 2008, when a referendum is called for the purpose of authorizing the regional school unit board to contract for the schooling of secondary pupils, the article must be as follows.

"Do you favor authorizing the board of directors of (name of regional school unit) to contract in the name of this regional school unit with (name of regional school unit or private school) for the schooling of secondary pupils for a term of years?

Yes No"

D. On or after July 1, 2008, when a referendum is called for the purpose of authorizing a change in the method of sharing costs in the regional school unit, the article must be as follows.

"Do you favor changing the method of sharing costs in (name of regional school unit) from the present method of (describe) to the method of: (describe).

Yes No"

E. On or after July 1, 2008, when a referendum is called for the purposes of accepting or rejecting a prospective gift, the article must be as follows.

"Do you favor authorizing the board of directors of (name of regional school unit) to accept a prospective gift under the following conditions?(terms and conditions).

Yes No"

§1479. Referendum procedures

The following procedures apply to a regional school unit referendum.

1. Ballots. The regional school unit board of directors shall prepare and furnish the required number of ballots for carrying out the referendum as posted, including absentee ballots. The regional school unit board of directors shall prepare and furnish all other materials necessary to fulfill the requirements for voting procedures.

2. Voting. Voting must be held and conducted as follows.

A. The voting at referenda held in towns must be held and conducted in accordance with Title 30-A, sections 2524 and 2528 to 2532, even though the town has not accepted the provisions of Title 30-A, sections 2524 and 2525. The facsimile signature of the clerk under Title 30-A, section 2528, subsection 6, paragraph F must be that of the regional school unit chair of the board of directors. If a regional school unit referendum is called to be held simultaneously with any statewide election, the voting in towns must be held and conducted in accordance with Title 21-A, except that the duties of the Secretary of State must be performed by the regional school unit board of directors and if the statewide election is a primary election, any registered voter may vote in the referendum. The absentee voting procedure of Title 21-A must be used, except that the duties of the Secretary of State must be performed by the regional school unit board of directors.

B. The voting at referenda in cities must be held and conducted in accordance with Title 21-A, including the absentee voting procedure, except that the duties of the Secretary of State must be performed by the regional school unit board of directors and if the statewide election is a primary election, any registered voter may vote in the referendum.

3. Return and counting. The return and counting of votes must be as follows.

A. The municipal clerk shall, within 24 hours of the determination of the results of the vote in the municipality, certify and send to the regional school unit board of directors the total number of votes cast in the affirmative and in the negative on each article.

B. As soon as all of the results from all of the municipalities have been returned to the regional school unit board of directors, the regional school unit board of directors shall meet and compute the total number of votes cast in all of the municipalities within the regional school unit in the affirmative and in the negative on each article.

C. If the regional school unit board of directors determines that there were more votes cast in the affirmative than in the negative on a given article, it shall declare that the article has passed.

D. If the regional school unit board of directors determines that the total number of votes cast on an article in the affirmative is equal to or less than those cast in the negative, it shall declare that the article has not passed.

E. The regional school unit board of directors shall enter its declaration and computations in its records and send certified copies to the clerk of each municipality within the regional school unit.

§1480. Reconsideration

The procedure to reconsider votes taken at a regional school unit referendum is as follows.

1. Time limit. The regional school unit board of directors shall, within 60 days, initiate a new regional school unit referendum to reconsider the vote of the previous referendum if, within 7 days of the first referendum, at least 10% of the number of voters voting for the gubernatorial candidates in the last gubernatorial election in the municipalities within the regional school unit petition to reconsider a prior regional school unit referendum vote.

2. Required quorum. A reconsideration referendum is not valid unless the number of persons voting in that referendum is at least equal to the number who voted in the prior regional school unit referendum.

3. Bond. If the margin of the vote being reconsidered was between 10% and 25%, the petitioners shall post a bond with the petition equal to the actual and reasonable costs of the new referendum. If the margin of the vote being reconsidered exceeded 25%, the petitioners shall post an additional bond equal to the actual and reasonable costs that may be incurred as a result of the delay of an authorization or approval granted in the prior regional school unit referendum. If the petitioners are successful, the bonds must be canceled.

§1481. Bonds; notes; other

All bonds, notes or other evidences of indebtedness issued for regional school unit purposes by a regional school unit for major capital expenses, bus purchases or current operating expenses, including tax or other revenue anticipation notes, are general obligations of the regional school unit.

1. Tax assessments. The municipal officers or regional school unit board of directors shall require the sums that are necessary to meet in full the principal of and interest on the bonds, notes or other evidences of indebtedness issued pursuant to this section payable in each year to be assessed and collected in the manner provided by law for the assessment and collection of taxes.

2. Reduction. The sums to be assessed and collected under subsection 1 must be reduced by the amount of an allocation of funds appropriated by the Legislature to pay the principal and interest owed by the regional school unit in a given year as certified to the regional school unit by the commissioner. The commissioner shall certify the amount due to the regional school unit within 30 days of its appropriation by the Legislature.

3. Collection. After assessment and reduction under subsection 2, the remaining sum must be paid from ad valorem taxes, which may be levied without limit as to rate or amount upon all the taxable property within the regional school unit.

§1482. Debt liability

This section governs debt obligations existing at the time of reorganization accomplished pursuant to this chapter unless a different arrangement is made pursuant to a plan approved by the commissioner under this chapter. Any such plan shall be consistent with subsection 2.

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings:

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

B. "Original education unit" means:

A. A school administrative unit or school union that has existing debt; or

B. A municipality that has existing debt incurred on behalf of a school administrative unit or school union; and

C. "New unit" means a regional school unit created or established pursuant to this chapter.

2. Liability remains with original unit. Existing debt held by an original education unit remains the obligation of that original education unit after reorganization pursuant to this chapter. No original education unit may be finally dissolved while any existing debt held by the original education unit remains outstanding. All aspects of an original education unit's administrative or political organization may be merged into a new unit or otherwise modified to accomplish the purposes of this chapter but its existing debt and its right to secure payment of such debt from income streams that existed at the time of the issuance of such debt may not be affected or altered except as authorized by this section.

A. A new unit may agree to pay the existing debt of an original education unit that is included within the new unit. If the new unit pays the existing debt, the original education unit is relieved of paying that debt, but, in the event that the new unit fails to pay any amount of the existing debt, the original education unit remains responsible for the deficiency. The original education unit shall ensure that timely payments of existing debt are made, regardless of whether the new unit has agreed to make the debt payments. An original education unit may contract with a new unit for the administration of, transfer or delegate to and a new unit may accept and exercise on behalf of the original education unit for the remaining term of any existing debt all those powers and duties reasonable and necessary for the payment of existing debt of the original education unit.

B. Notwithstanding any other provision of law or any provision of any trust agreement, a new unit may use any sinking fund or other money set aside by the original education unit to pay an existing debt to pay that debt.

C. A new unit may issue bonds or other debt instruments for the purpose of refinancing or retiring the existing debt of an original education unit. The issuance of such bonds or other debt must be in accordance with applicable procedural requirements, including the procedural requirements of section 1473.

3. No impact on state debt subsidies. No change in any administrative or political organization resulting from the creation of a new unit may affect any state subsidy with respect to existing debt or the relative portion of any such debt paid or reimbursed by the state except as provided in this subsection.

A. The original education unit may continue to pay its existing debt obligations in due course as though no new unit had been created and its choice to do so may not reduce or otherwise affect the level of state assistance or subsidy with respect to that existing debt.

B. If the original education unit and the new unit choose to refinance the existing debt, the state subsidy or assistance with respect to the debt must be determined as of the date of the new issuance and must be based on that refinancing and not on any previous subsidy or assistance calculation related to the existing debt.

§1483. Supermajority vote to a close school in the regional school unit

A school operated within the regional school unit may not be closed unless the governing body of the regional school unit approves by an affirmative vote of 2/3 of the elected membership

or voting power thereof the governing body to close the school at a regular or special meeting of the governing board.

§1484. Closing school

1. Vote; cost of election. A school in a member municipality of a regional school unit may not be closed unless the voters in the member town vote on the following article in accordance with the referendum procedure set forth in this chapter.

"Article: Do you favor authorizing the board of directors of (name of regional school unit) to close (name of school)?

Yes No"

(The election must be conducted only within that member municipality, pursuant to Department of Education rule and the costs of the election are borne by the regional school unit.)

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

3. Costs and procedures during subsequent years. During any year subsequent to the year during which a school remains open contrary to the regional school unit board of directors' vote to close that school, as a result of a municipal referendum, the school will be open without any additional cost to the municipality except as described in paragraphs A and B.

A. If the regional school unit board of directors again votes to close the school and the voters of the member municipality again vote to keep the school open, as described in this subsection, then the school will remain open and the member municipality will be obligated to pay the additional costs as described in subsection 2.

B. If the regional school unit board of directors again votes to close the school and the voters of the member municipality fail to vote to keep the school open, then the school is closed. In this event, the school may be reopened only if the regional school unit board of directors votes to reopen the school.

4. Definition of school closing. For purposes of this section, a school closing is any action or actions by the regional school unit board of directors that have the effect of providing no instruction for any students at that school.

5. Method of payment by liable municipality. If a municipality is liable for additional expenses as determined in subsection 3, paragraph A, then the amount of this additional expense must be subtracted from the regional school unit budget before each member municipality's assessment is computed. This additional expense must be paid by the member municipality that is liable in equal monthly amounts, unless the regional school unit and that member municipality mutually agree to another method of payment.

§1485. State board review of commissioner's decisions

A regional school unit or other interested party may request that the state board reconsider decisions made by the commissioner under this chapter. The state board has the authority to

overturn decisions made by the commissioner. In exercising this power, the state board is limited by this chapter.

§1486. Rules

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

§1487. Transition

A regional school unit must be in full compliance with this chapter no later than June 30, 2008.

Sec. 19. 20-A MRSA c. 105, as amended, is repealed.

Sec. 20. 20-A MRSA c. 107, as amended, is repealed.

Sec. 21. 20-A MRSA c. 109, as amended, is repealed.

Sec. 22. 20-A MRSA c. 111 as amended, is repealed.

Sec. 23. 20-A MRSA c. 111-A is enacted to read:

Chapter 111-A: MUNICIPAL SCHOOL UNIT

Subchapter 1: SCHOOL COMMITTEE

§2401. Applicability of provisions to certain towns or cities

Sections 2402, 2403 and 2405 do not apply to municipalities whose charters specify the methods of selection, recall and term of office of a school committee, nor to municipalities who revise their charters or adopt new charters under the "home rule" provisions of Title 30-A, chapter 111, with specifications for method of selection, recall and term of office of a school committee, nor to municipalities authorized by private and special laws to otherwise choose a school committee.

§2402. Election of school committee members

A municipality, not included in a school administrative district or a community school district which operates grades one to 12, shall elect at its annual meeting a school committee of 3 to hold office as provided in section 2305. The municipality shall fill vacancies in that committee at each subsequent annual meeting

§2403. Additional school committee members

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

1. Vote. The municipality may vote to have a 5-member board at:

A. Its annual meeting; or

B. At a special town meeting held at least 30 days before the annual meeting, if a

municipality has accepted Title 30-A, section 2528, relative to secret ballot

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

§2404. Neglect to choose committee

A municipality failing to elect members of the school committee shall forfeit not less than \$30 nor more than \$200

§2405. Terms; vacancies; restrictions

1. Length of term. School committee members shall be elected for staggered 3-year terms or, in municipalities with biennial elections, 4-year terms.

2. Commencement of term. The term of newly elected school board members shall start as determined under section 1003.

3. Vacancy. A vacancy on a school committee shall be declared:

A. When the term of office of a member expires

B. When a member changes residency from the municipality or subdistrict from which elected. Evidence that an individual is registered to vote in a municipality is prima facie evidence of that individual's residency

C. On the death of a member;

D. When a member resigns;

E. Except in municipalities having a municipal charter, when a member is absent without excuse from 3 consecutive regular committee meetings, the committee may declare that a vacancy exists.

4. Filling a vacancy. A vacancy may be filled:

A. By the school committee within 30 days. The term of a member appointed by the school committee to fill a vacancy shall expire at the next annual meeting;

B. Whenever the remaining members of the school committee fail to appoint a person to fill a vacancy, by election at a town meeting called for the purpose

§2406. Service without pay

School committee members shall serve without pay, unless otherwise voted by the town

§2407. Minimum size

Beginning July 1, 2008, a municipal school unit must have 2,500 resident students or more as of the Department of Education's October 1, 2006 student count.

§2408. School Budgets

For the fiscal year beginning July 1, 2008, municipal school units must follow the same school budget requirements as regional school units pursuant to chapter 103-A.

Subchapter 2: INCORPORATED SCHOOL DISTRICT

Note: DOE checking to see if this subchapter is still needed)

§2451. School district meetings

1. District meetings. Where the inhabitants and territory of a single municipality constitute an incorporated school district, and the charter of the district contains no provisions for the calling and holding of meetings of the district, meetings of the school district shall be called by the municipal officers, in the manner provided by law for the calling of town meetings, on written request signed by trustees or other executive officers of the district.

2. Municipal meetings. A lawfully called meeting of the inhabitants of the municipality shall be a lawful meeting of the school district for the transaction of school district business. If the business of the school district has been transacted at a lawfully called meeting of the inhabitants, the meeting is declared to be a legal and valid meeting of the school district, and all votes passed and all actions taken at that meeting which would have been legal had the meeting been a lawfully called meeting of the school district, are ratified and declared legal.

Sec. 24. 20-A MRSA §4102, as amended by PL 1999, c. 206, §3, is further amended by adding at the end a new paragraph to read:

This section is repealed June 30, 2008.

Sec. 25. 20-A MRSA §4102-A is enacted to read:

§4102-A. Closing of a school building

The closing of a school building by a school administrative unit may occur only when:

1. Replaced by new building. The school building has been replaced by other school buildings as part of a school construction project that has been approved by the state board or the commissioner in accordance with chapter 609;

2. Condemned. The school building has been condemned and ordered closed by local or state officials for health and safety reasons; or

3. Lack of need. The building has been determined to be unnecessary or unprofitable to maintain by the governing body of the school administrative unit. Before a building may be closed under this subsection, a report must be filed with the commissioner. The report must include, at a minimum:

A. A projection of the number of students in the affected area over the next 5 school years, including a projection of the educational programs that they will need;

B. The manner in which the continuation of the educational programs for the affected students will be provided;

C. The effective date on which the closing will take place;

D. A projection of additional transportation or other related services;

E. The existence of any other outstanding financial commitments, including debt service, related to the school building along with a retirement schedule of payments to meet the commitments;

F. The proposed disposition of the school building;

G. The financial impact of closing the school building; and

H. A statement of reasons why the school building is being closed.

Before a regional school unit board of directors may close a school building pursuant to this subsection, voter approval must be obtained in accordance with section 1482.

Sec. 26. 20-A MRSA §15671-A, sub-§5, as amended by PL 2005, c. 519, Pt. AAAA, §2, is further amended to read:

5. Exceeding maximum state and local spending target. If the sum of a school administrative unit's required local contribution determined pursuant to section 15688, subsection 3-A plus the state contribution as calculated pursuant to section 15688, subsection 3-A, paragraph D, plus any state funds resulting from a transition adjustment pursuant to section 15686, plus any additional local amount proposed to be raised pursuant to section 15690, subsection 3 exceeds the school administrative unit's maximum state and local spending target established pursuant to subsection 4, the following provisions govern approval of that additional amount.

A. The article approving the additional amount must conform to the requirements of section 15690, subsection 3, paragraph B. Notwithstanding section 1304, subsection 6; section 1701, subsection 7; Title 30-A, section 2528, subsection 5, or any other provision of law, municipal charter provision or ordinance, voter approval of the article, whether in town meeting, district meeting or other voting process established by law, municipal charter or ordinance, including, but not limited to, any vote on the article initiated by voter petition, must be by referendum or written ballot.

B. In a municipality where the responsibility for final adoption of the school budget is vested by the municipal charter in a council, this paragraph applies, except that the petition and referendum provisions apply only if the municipal charter does not otherwise provide for or prohibit a petition and referendum process with respect to the matters described in this paragraph.

(1) A majority of the entire membership of the school board or committee must approve the additional amount in a regular budget meeting.

(2) An article approving the additional amount must conform to the requirements of section 15690, subsection 3, paragraph B and be approved by a majority of the entire membership of the council in a vote taken in accordance with section 15690, subsection 5 or, if the council votes not to approve the article, by a majority of voters voting in a referendum called pursuant to subparagraph (4).

(3) If an article is approved by the council pursuant to subparagraph (2), the voters may petition for a referendum vote on the same article in accordance with subparagraph (4). If a petition is filed in accordance with subparagraph (4), the vote of the council is suspended pending the outcome of the referendum vote. Upon approval of the article by a majority of the voters voting in that referendum, the article takes effect. If the article is not approved by a majority of the voters voting in that referendum, the article does not take effect. Subsequent to the vote, the school committee or board may again propose an additional amount, subject to the requirements of this section.

(4) If a written petition, signed by at least 10% of the number of voters voting in the last gubernatorial election in the municipality, requesting a vote on the additional amount is submitted to the municipal officers within 30 days of the council's vote pursuant to subparagraph (2), the article voted on by the council must be submitted to the legal voters in the next regular election or a special election called for the purpose. The election must be held within 45 days of the submission of the petition. The election must be called, advertised and conducted according to the law relating to municipal elections, except that the registrar of voters is not required to prepare or the clerk to post a new list of voters and absentee ballots must be prepared and made available at least 14 days prior to the date of the referendum. For the purpose of registration of voters, the registrar of voters must be in session the secular day preceding the election. The voters shall indicate by a cross or check mark placed against the word "Yes" or "No" their opinion on the article. The results must be declared by the municipal officers and entered upon the municipal records.

This subsection is repealed June 30, 2008.

Sec. 27. 20-A MRSA §15671-A, sub-§6, is enacted to read:

6. Exceeding maximum state and local spending target. Beginning July 1, 2008, if the sum of a school administrative unit's required local contribution determined pursuant to section 15688, subsection 3-B plus the state contribution as calculated pursuant to section 15688, subsection 3-B, paragraph D, plus any state funds resulting from a transition adjustment pursuant to section 15686, plus any additional local amount proposed to be raised pursuant to section 15690-A, subsection 3 exceeds the school administrative unit's maximum state and local spending target established pursuant to subsection 4, the governing body must approve the additional amount pursuant to section 15690-A, subsection 3, paragraph B.

Sec. 28. 20-A MRSA §15688, sub-§2, as amended by PL 2005, c. 2, Pt. D, §54 and affected by §§72 and 74 and c. 12, Pt. WW, §18, is further amended to read:

2. Member municipalities in school administrative districts or community school districts; total costs. For each municipality that is a member of a school administrative district or community school district, the commissioner shall annually determine each municipality's total cost of education. A municipality's total cost of education is the school administrative district's or community school district's total cost of education multiplied by the percentage that the municipality's most recent calendar year average pupil count is to the school administrative district's or community school district's most recent calendar year average pupil count. This subsection is repealed June 30, 2008.

Sec. 29. 20-A MRSA §15688, sub-§2-A is enacted to read:

2-A. Member municipalities in a regional school unit; total costs. Effective July 1, 2008, for each municipality that is a member of a regional school unit, the commissioner shall annually determine each municipality's total cost of education. A municipality's total cost of education is the regional school unit's total cost of education multiplied by the percentage that the municipality's most recent calendar year average pupil count is to the regional school unit's most recent calendar year average pupil count.

Sec. 30. 20-A MRSA §15688, sub-§3-A, as enacted by PL 2005, c. 2, Pt. D, §56 and affected by §§72 and 74 and c. 12, Pt. WW, §18, is amended to read:

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

- A. For a school administrative unit composed of only one municipality, the contribution of the unit and the municipality is the same and is the lesser of:
- (1) The total cost described in subsection 1; and
 - (2) The total of the full-value education mill rate calculated in section 15671-A, subsection 2 multiplied by the property fiscal capacity of the municipality.
- B. For a school administrative district or community school district composed of more than one municipality, each municipality's contribution to the total cost of education is the lesser of:
- (1) The municipality's total cost as described in subsection 2; and
 - (2) The total of the full-value education mill rate calculated in section 15671-A, subsection 2 multiplied by the property fiscal capacity of the municipality.
- C. For a school administrative district or community school district composed of more than one municipality, the unit's contribution to the total cost of education is the lesser of:
- (1) The total cost as described in subsection 1; and
 - (2) The sum of the totals calculated for each member municipality pursuant to paragraph B, subparagraph (2).
- D. The state contribution to the school administrative unit's total cost of education is the total cost of education calculated pursuant to subsection 1 less the school administrative unit's contribution calculated pursuant to paragraph A or C, as applicable. The state contribution is subject to reduction in accordance with section 15690, subsection 1, paragraph C.

This subsection is repealed June 30, 2008.

Sec. 31. 20-A MRSA §15688, sub-§3-B is enacted to read:

3-B. School administrative unit; contribution. Beginning July 1, 2008, for each school administrative unit, the commissioner shall annually determine the school administrative unit's required contribution, the required contribution of each municipality that is a member of the unit, if the unit has more than one member, and the State's contribution to the unit's total cost of education in accordance with the following.

- A. For a regional school unit, each municipality's contribution to the total cost of education is the lesser of:
- (1) The municipality's total cost as described in subsection 2-A; and
 - (2) The total of the full-value education mill rate calculated in section 15671-A, subsection 2 multiplied by the property fiscal capacity of the municipality.
- B. For a regional school unit, the school administrative unit's contribution to the total cost of education is the lesser of:
- (1) The total cost as described in subsection 1; and
 - (2) The sum of the totals calculated for each member municipality pursuant to paragraph A, subparagraph (2).
- C. The state contribution to the school administrative unit's total cost of education is the total cost of education calculated pursuant to subsection 1 less the school administrative unit's

contribution calculated pursuant to paragraph B. The state contribution is subject to reduction in accordance with section 15690-A, subsection 1, paragraph C.

Sec. 32. 20-A MRSA §15688, sub-§4, as amended by PL 2005, c. 2, Pt. D, §57 and affected by §§72 and 74 and c. 12, Pt. WW, §18, is further amended to read:

4. Method of cost sharing; exception. For the purpose of local cost sharing, the provisions of subsection 3-A do not apply to municipalities that are members of a school administrative district or a community school district whose cost sharing formula was established pursuant to private and special law prior to January 1, 2004. For each municipality that is a member of a school administrative district or a community school district whose cost sharing formula was established pursuant to private and special law prior to January 1, 2004, the cost sharing formula established pursuant to private and special law determines each municipality's local cost of education. This subsection is repealed June 30, 2008.

Sec. 33. 20-A MRSA §15689, sub-§1-A, as enacted by PL 2005, c. 519, Pt. AAAA, §14, is amended to read:

1-A. Adjustments to state contributions to member municipalities in certain school districts. ~~Beginning in~~ In fiscal year 2007-08, the minimum state allocation provisions of subsection 1 are applicable for each case when one or more member municipalities, but not all the district's member municipalities, have a local contribution that is below the mill rate expectation established pursuant to section 15671-A. For each school district eligible under this subsection, the minimum state allocation provisions of subsection 1 are applicable for each member municipality that has a local contribution that is below the mill rate expectation established pursuant to section 15671-A, except that the transition percentages in ~~section 15689~~, subsection 1, paragraph B must be multiplied by the percentage of calendar year resident pupils in the member municipality. This subsection is repealed June 30, 2008.

Sec. 34. 20-A MRSA §15689, sub-9 is enacted to read:

9. Adjustment for Transition Fund. (Notwithstanding any other provision of law???)The Commissioner shall allocate funds totaling \$xxxxxxx for funds appropriated by the Legislature in fiscal year 2007-08 and fiscal year 2008-09 in order to support the transition costs of the reorganization of school administrative units to regional school units.

Sec. 35. 20-A MRSA §15689-D, as enacted by PL 2005, c. 2, Pt. D, §61 and affected by §§72 and 74 and c. 12, Pt. WW, §18, is amended to read:

§15689-D. Governor's recommendation for funding levels

The Department of Administrative and Financial Services, Bureau of the Budget shall annually certify to the Legislature the funding levels that the Governor recommends under sections 15683, 15683-A, 15689 and 15689-A. The Governor's recommendations must be transmitted to the Legislature within the time schedules set forth in Title 5, section 1666. The commissioner may adjust, consistent with the Governor's recommendation for funding levels, per-pupil amounts not related to staffing pursuant to section 15680 and targeted funds pursuant to section 15681.

Sec. 36. 20-A MRSA §15690, as amended by PL 2005, c. 519, Pt. AAAA, §§17 and 18, is further amended by adding at the end a new paragraph to read:

This section is repealed June 30, 2008.

Sec. 37. 20-A MRSA §15690-A is enacted to read:

§15690-A. Local appropriations

Beginning with the budget for the 2008-2009 school year, this section applies to local appropriations for school purposes.

1. School administrative unit contribution to total cost of funding public education from kindergarten to grade 12. The legislative body of each school administrative unit may vote to raise and appropriate an amount up to its required contribution to the total cost of education as described in section 15688.

A. For a municipal school unit, an article in substantially the following form must be used when a single municipal school administrative unit is considering the appropriation of an amount up to its required contribution to the total cost of education as described in section 15688.

(1) "Article.....: To see what sum the municipality will appropriate for the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act (Recommend \$.....) and to see what sum the municipality will raise as the municipality's contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act in accordance with the Maine Revised Statutes, Title 20-A, section 15688. (Recommend \$.....)"

(2) The following statement must accompany the article in subparagraph (1). "Explanation: The school administrative unit's contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act is the amount of money determined by state law to be the minimum amount that a municipality must raise in order to receive the full amount of state dollars."

B. For a regional school unit, an article in substantially the form set out in subparagraph (1) must be used when the school administrative unit is considering the appropriation of an amount up to its required contribution to the total cost of education as described in section 15688.

(1) "Article: To see what sum the (name of regional school unit) will appropriate for the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act and to see what sum the (name of regional school unit) will raise and assess as each municipality's contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act in accordance with the Maine Revised Statutes, Title 20-A, section 15688 (Recommend amount set forth below):

<u>Total appropriated (regional school unit by municipality):</u>	<u>Total raised (regional school unit assessments by municipality):</u>
<u>Town A (\$amount)</u>	<u>Town A (\$amount)</u>
<u>Town B (\$amount)</u>	<u>Town B (\$amount)</u>
<u>Town C (\$amount)</u>	<u>Town C (\$amount)</u>
<u>Regional School Unit</u>	<u>Regional School Unit</u>
<u>Total Appropriated</u>	<u>Total Raised</u>
<u>(\$sum of above)</u>	<u>(\$sum of above)"</u>

(2) The following statement must accompany the article in subparagraph (1). "Explanation: The regional school unit's contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act is the amount of money determined by state law to be the minimum amount that the regional school unit must raise and assess in order to receive the full amount of state dollars."

C. The state share of the total cost of funding public education from kindergarten to grade 12 as described in section 15688, excluding state-funded debt service for each school administrative unit, is limited to the same proportion as the local school administrative unit raises of its required contribution to the total cost of education as described in section 15688, excluding state-funded debt service costs.

2. Non-state-funded debt service. For a school administrative unit's indebtedness previously approved by its legislative body for non-state-funded major capital school construction projects or non-state-funded portions of major capital school construction projects and minor capital projects, the legislative body of each school administrative unit may vote to raise and appropriate an amount up to the regional school unit's annual payments for non-state-funded debt service.

A. An article in substantially the form set out in subparagraph (1) must be used when a school administrative unit is considering the appropriation for debt service allocation for non-state-funded school construction projects or non-state-funded portions of school construction projects and minor capital projects.

(1) "Article: To see what sum the (name of school administrative unit) will raise and appropriate for the annual payments on debt service previously approved by the legislative body for non-state-funded school construction projects, non-state-funded portions of school construction projects and minor capital projects in addition to the funds appropriated as the local share of the school administrative unit's contribution to the total cost of funding public education from kindergarten to grade 12. (Recommend \$.....)"

(2) The following statement must accompany the article in subparagraph (1). "Explanation: Non-state-funded debt service is the amount of money needed for the annual payments on the (name of school administrative unit) long-term debt for major capital school construction projects and minor capital renovation projects that are not approved for state subsidy. The bonding of this long-term debt was previously approved by the voters or other legislative body."

3. Additional local appropriation. A school administrative unit may raise and expend funds for educational purposes in addition to the funds under subsections 1 and 2.

A. If the amount of the additional funds results in the school administrative unit exceeding its required contribution to the total cost of education as described in section 15688, an article in substantially the form set out in subparagraph (1) must be used when a school administrative unit is considering the appropriation of additional local funds

(1) "Article: Do you favor authorizing (name of school administrative unit) to raise and appropriate (Recommend \$.....) in additional local funds, which exceeds the State's Essential Programs and Services allocation by \$..... as required to fund the budget recommended by the school administrative unit's board of directors? The school administrative unit board of directors (Recommend \$.....) for additional local funds and gives the following reasons for exceeding the State's Essential Programs and Services allocation by \$....."

(2) The following statement must accompany the article in subparagraph (1). "Explanation: The additional local funds are those locally raised funds over and above the school administrative unit's local contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act and local amounts raised for the annual payment on non-state-funded debt service that will help achieve the (name of school administrative unit) budget for educational programs."

4. Total budget article. A school administrative unit must include a summary article indicating the total annual budget for funding public education from kindergarten to grade 12 in the school administrative unit. The amount recommended must be the gross budget of the school system. This article, which must be in substantially the form set out in paragraph A, does not provide money unless the other articles are approved.

A. "Article: To see what sum the (name of regional school unit) will authorize the regional school unit's board of directors to expend for the fiscal year beginning (July 1,) and ending (June 30,) from the regional school unit's contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act, non-state-funded school construction projects, additional local funds for school purposes under the Maine Revised Statutes, Title 20-A, section 15690-A, unexpended balances, tuition receipts, state subsidy and other receipts for the support of schools. (Recommend \$.....)"

5. Vote. Actions taken pursuant to subsections 1 to 4 must be taken by a recorded vote. An action taken pursuant to subsection 3, paragraph A must be by at least a two-thirds vote of the governing body of the school administrative unit.

Sec. 38. 20-A MRSA §15691, sub-§3 is enacted to read:

3. Repeal. This section is repealed June 30, 2008.

Sec. 39. 20-A MRSA §15691-A is enacted to read:

§15691-A. Municipal assessment paid to a regional school unit

Beginning with the 2008-2009 school year, this section applies to municipal assessments paid to a regional school unit.

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

2. Municipal treasurer's payment schedule. The treasurer of the member municipality, after being presented with the assessment schedule under subsection 1, shall forward 1/12 of that member municipality's share to the treasurer of the regional school unit on or before the 20th day of each month of the fiscal year beginning in July.

Sec. 40. 20-A MRSA §15692, sub-§3 is enacted to read:

3. Repeal. This section is repealed June 30, 2008.

Sec. 41. 20-A MRSA §15693, sub-§9 is enacted to read:

9. Repeal. This section is repealed June 30, 2008.

Sec. 42. 20-A MRSA §15694, as enacted by PL 2005, c. 2, Pt. D, §62 and affected by §§72 and 74 and c. 12, Pt. WW, §18, is amended by adding at the end a new paragraph to read:

This section is repealed June 30, 2008.

Sec. 43. 20-A MRSA §15695, sub-§4 is enacted to read:

4. Repeal. This section is repealed June 30, 2008.

Sec. 44. 20-A MRSA §15755, as enacted by PL 2005, c. 2, Pt. D, §63 and affected by §§72 and 74 and c. 12, Pt. WW, §18, is repealed.

Sec. 45. 20-A MRSA §15901, sub-§1, ¶A, as enacted by PL 1981, c. 693, §§5 and 8, is amended to read:

A. Acknowledgment of the ~~local~~ regional need;

Sec. 46. 20-A MRSA §15901, sub-§4, ¶D, as enacted by PL 1981, c. 693, §§5 and 8, is amended to read:

D. The building of or acquisition of other facilities related to the operation of ~~school administrative units~~ regional school units;

Sec. 47. 20-A MRSA §15901, sub-§4, ¶E, as repealed and replaced by PL 1983, c. 613, is amended to read:

E. The complete restoration of existing school buildings in lieu of replacement when in the judgment of the commissioner the action is in the best interest of the State and ~~local unit~~ the regional school unit; and

Sec. 48. 20-A MRSA §15901, sub-§6, as corrected by RR 1991, c. 2, §71 and amended by PL 2003, c. 545, §5, is repealed.

Sec. 49. 20-A MRSA §15901, sub-§7, as corrected by RR 1991, c. 2, §71 and amended by PL 2003, c. 545, §5, is repealed.

Sec. 50. 20-A MRSA §15901, sub-§8, as corrected by RR 1991, c. 2, §71 and amended by PL 2003, c. 545, §5, is repealed.

Sec. 51. 20-A MRSA §15904, as amended by PL 2005, c. 12, Pt. WW, §§8 and 9 and c. 683, Pt. B, §15, is further amended to read:

§15904. Local vote

Prior to final approval by the state board, a school construction project, except a small scale school construction project as defined in section 15901, subsection 4-A, must receive a favorable vote conducted in accordance with the following.

1. Municipal schools. In a municipality where the responsibility for final adoption of the school budget is vested in a municipal council by municipal charter or in a town meeting, the vote ~~shall~~ must be by referendum in accordance with the appropriate provisions set forth in Title 21-A and Title 30-A, except that the filing requirement contained in Title 30-A, section 2528, subsection 5, does not apply.

2. Regional school units. In a ~~school administrative district~~ regional school unit the vote must be conducted in accordance with ~~section 1305 or sections 1351 to 1354~~ chapter 103-A.

3. Community school districts. In a community school district, the vote ~~shall~~ must be conducted in accordance with Title 30-A, sections 2528 to 2532. The return and counting of votes ~~shall~~ must be conducted in accordance with the procedures established in section 1353, subsection 3. The district school committee shall:

A. Issue a warrant ordering the municipalities within the district to place the school construction article on the ballot; and

B. Prepare and furnish the required number of ballots for carrying out the vote.

This subsection is repealed June 30, 2008.

4. Form. The article ~~shall~~ must indicate:

D. The estimated amount of the additional operating costs during each of the first 2 years; and

E. The school administrative unit is responsible for the local share of annual principal and interest payments for this school construction project included in the total cost of education appropriated pursuant to section ~~15690~~ 15690-A, subsection 1, if any, and for the annual principal and interest payments for the non-state-funded portion of this school construction project.

Sec. 52. Collaboration. Nothing in this Part is intended to affect collaborative agreements between 2 or more school administrative units in existence prior to the July 1, 2008 reorganization of school administrative units or to limit the future development of new collaborative agreements between school administrative units established after July 1, 2008. Collaborative agreements may be extended beyond school administrative units to include local, county and state government whenever possible. For purposes of this section, collaborative agreement includes, but is not limited to:

1. a shared purchasing or contract agreement;
2. an agreement for shared staff or staff training;
3. an agreement to share technology or technology support;
4. an agreement to provide special education programs and support services;
5. an agreement to share accounting, payroll and financial management services;
6. an agreement to coordinate transportation routing and vehicle maintenance;
7. an agreement to share food service planning and purchasing; and
8. an agreement to coordinate energy and facilities management.

Sec. 53. Initial staggered terms. Notwithstanding the Maine Revised Statutes, Title 20-A, section 1454, subsection 2, the initial members elected to a regional school unit community board of directors shall meet and draw lots for the length of term specified as follows.

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

2. Municipalities with biennial elections. In municipalities with biennial elections, 1/2 of the directors serve 4-year terms and 1/2 of the directors serve 2-year terms. If the number of directors is not divisible by 2, the remaining director serves a 4-year term.

The directors shall serve their terms as determined at the organizational meeting and an additional period until the next regular election of the municipalities. Thereafter, the directors' terms of office are as established in accordance with the provisions of Title 20-A, section 1454.

Sec. 54. Transfer of property and assets.

1. Board of directors. The directors of the board of each regional school unit established in the Maine Revised Statutes, Title 20-A, chapter 103-A shall determine what school property of the municipalities in existence prior to July 1, 2008 and of the school administrative units in existence prior to June 30, 2008 in their regions is necessary to carry out the functions of the regional school unit and shall request in writing that the board of each such school administrative unit or the municipal officers transfer title of their school property and buildings to the regional school unit board of directors.

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

3. Financing assumed debts. A regional school unit shall assume the outstanding indebtedness of a school administrative unit in existence prior to June 30, 2008 for school construction projects approved for subsidy under Title 20-A, chapter 609 and pursuant to §1480. If a regional school unit board of directors has assumed the outstanding indebtedness of a school administrative unit in existence prior to June 30, 2008 the directors of the regional school unit

board may, notwithstanding any other statute or any provision of any trust agreement, use any sinking fund or other money set aside by the school administrative unit in existence prior to June 30, 2008 to pay off the indebtedness for which the money was dedicated. A regional school unit board of directors is not required to assume the outstanding indebtedness of a school administrative unit in existence prior to June 30, 2008 in its regional school unit for nonstate funded projects pursuant to Title 20-A, section 15905-A and pursuant to §1480.

Sec. 55. Operational date and transfer of authority.

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

2. Transfer of governing authority. The regional school unit board of directors, on the date established in subsection 1, shall assume responsibility for the management and control of the public schools and programs within the school administrative units in existence prior to June 30, 2008 that are within the regional school unit. Those school administrative units in existence prior to June 30, 2008, on the date established in subsection 1, have no further responsibility for the operation or control of the public schools and programs within the school administrative unit except those pursuant to §1480.

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

4. Teacher contracts. The contracts between the municipalities and all teachers are automatically assigned to the regional school unit board of directors as of the date the regional school unit becomes operative and remain in effect until the end of the implementation year, unless otherwise negotiated by the teachers and the regional school unit board of directors. The regional school unit board of directors shall assign teachers to their duties and make payments upon their contracts.

5. Superintendent contracts. The contracts between the superintendents and municipalities 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.

Sec. 56. Department to conduct review. The Department of Education shall conduct a review of unfunded state mandates pertaining to school systems. In conducting its review, the Department shall:

1. Prepare a comprehensive listing of the state mandates placed on school administrative units;
2. Identify for each listed mandate the precise legal origin of the mandate, whether state law or rule or a combination of both, or any originating authority. The Department shall also provide notice and analysis of federal mandates that contribute to or conflict with specific state mandates on school administrative units;

3. Identify the statewide local government costs of each listed mandate within the limits of practicability; and
4. Identify the characteristics of each listed mandate. Identified characteristics may include, but are not limited to, the following:
 - a. Archaic or unnecessary features or features lacking significant public purpose;
 - b. Inadequate funding;
 - c. Disproportionate efforts for the public policy benefit
 - d. Coordination between federal law and regulation and State law and rule;
 - e. Subjection to excessive administrative oversight; and
 - f. An insufficient structure to predict, measure or control local costs.
5. No later than November 3, 2008, the Department shall submit a report that includes its findings and recommendations, including suggested legislation, for presentation to the Joint Standing Committee on Education and Cultural Affairs. In its proposed implementing language, the Department may include proposals to repeal, modify, redesign, effectively coordinate or delay the implementation of any of the listed mandates, as may be appropriate. Following receipt and review of the report, the Joint Standing Committee on Education and Cultural Affairs may report out a bill to the First Regular Session of the 124th Legislature

Sec. 57. Report; additional necessary implementing legislation. No later than January 31, 2008, the Commissioner of Education shall submit to the Joint Standing Committee on Education a report that contains recommendations and any proposed legislation necessary to fully implement this Part. Following receipt and review of the report, the Joint Standing Committee on Education may submit legislation to the Second Regular Session of the 123rd Legislature.

Sec. 58. Effective date. Those sections of this Part that repeal the Maine Revised Statutes, Title 20-A, chapter 103, chapter 105, chapter 107, chapter 109 and chapter 111 take effect June 30, 2008. Those sections of this Part that amend Title 20-A, chapters 313, 606-B, 608 and 609 take effect June 30, 2008.