

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

2 PART A

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

4 20-A. Previous education unit. "Previous education unit" means a state-approved
5 unit of school administration that was responsible for operating or constructing public
6 schools prior to the reorganization of school administrative units pursuant to chapter 103-
7 A.

8 Sec. A-2. 20-A MRSA §1, sub-§23-B is enacted to read:

9 23-B. Publicly supported secondary school. "Publicly supported secondary
10 school" means:

11 A. A public secondary school; or

12 B. A private secondary school approved for the receipt of public funds under chapter
13 117, subchapter 2 that enrolls 60% or more publicly funded students.

14 Sec. A-3. 20-A MRSA §1, sub-§24-B is enacted to read:

15 24-B. Regional school unit. "Regional school unit" means the state-approved unit
16 of school administration as established pursuant to chapter 103-A.

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

18 24-C. Regional school unit board. "Regional school unit board" means the board of
19 directors that is the governing body with statutory powers and duties of a regional school
20 unit.

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

23 26. School administrative unit. "School administrative unit" means the state-
24 approved unit of school administration and includes a municipal school unit, school
25 administrative district, community school district, regional school unit or any other
26 municipal or quasi-municipal corporation responsible for operating or constructing public
27 schools, except that it does not include a career and technical education region.
28 Beginning July 1, 2009, "school administrative unit" means the state-approved unit of
29 school administration and includes only a municipal school unit and a regional school
30 unit formed pursuant to chapter 103-A.

31 Sec. A-6. 20-A MRSA §1201, as enacted by PL 1981, c. 693, §§5 and 8, is
32 repealed.

33 Sec. A-7. 20-A MRSA §1202, as amended by PL 1993, c. 608, §1, is repealed.

1 6. Public funds. Effective use of the public funds expended for the support of
2 public schools by means of:

3 A. The creation of cost-efficient organizational structures; and

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

8 7. School choice. The preservation of opportunities for choice of schools; and

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

12 Regional school units shall provide kindergarten to grade 12 public education, in
13 accordance with this Title, and shall develop and implement policies that address
14 efficiencies in administration, educational programming and the sharing of community
15 resources for the continuous improvement of student achievement and the preparation of
16 students for college, careers and citizenship.

17 **§1452. Application of general law**

18 Notwithstanding any provision of law to the contrary, schools operated by the
19 regional school units established in accordance with this chapter are the official schools
20 of the participating municipalities. The provisions of general law relating to public
21 education apply to these schools. State funds for public schools must be paid directly to
22 the treasurer of a regional school unit.

23 **§1453. Status of regional school unit**

24 For purposes of the Constitution of Maine, Article IX, Section 8, Subsection 3, a
25 regional school unit is a school administrative district.

26 **§1454. Rules**

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

29 **SUBCHAPTER 2**

30 **ORGANIZATION**

31 **§1461.**

32 [SEE DRAFT ATTACHMENT]

33 **SUBCHAPTER 3**

1 SCHOOL GOVERNANCE; PROGRAM

2 §1471. Regional school unit board

3 A regional school unit board must be established in accordance with this section.

4 1. Size. Following the initial certification of a regional school unit, any change in
5 the size, composition or apportionment of the regional school unit board must be
6 determined by a joint meeting of all the municipalities within the regional school unit.
7 Unless determined otherwise pursuant to section 1472, each regional school unit board
8 must include at least one director from each municipality or subdistrict.

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

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

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

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

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

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

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

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

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

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

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

9 **§1472. Methods of apportionment**

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

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

17 B. The boundaries of each subdistrict must be determined by a majority vote of the
18 reapportionment committee under section 1475. Each subdistrict must have one
19 director, except that in a municipality composed of 2 or more subdistricts, the joint
20 meeting may authorize the election of directors-at-large.

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

23 A. The reapportionment committee under section 1475 shall apportion 1,000 votes
24 among all the members of the board. The ratio of the number of votes cast by the
25 directors representing a municipality in relation to the number 1,000 must be the
26 same ratio to the nearest whole number as the population of the municipality is in
27 relation to the population of all municipalities in the regional school unit, as
28 determined by the latest Federal Decennial Census or Federal Estimated Census.

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

31 C. A plan may not permit the voting power of any director to exceed by more than
32 2% the percentage of voting power the director would have if all 1,000 votes were
33 apportioned equally among the directors.

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

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

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

4 §1473. Election

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

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

16 2. Special provisions. In the election for representation under the methods provided
17 under section 1472, the provisions of this subsection apply.

18 A. In an election under Method A pursuant to section 1472, subsection 1:

19 (1) Within 60 days, but no earlier than 45 days after notification by the regional
20 school unit board of the approval of the reapportionment plan under section 1475,
21 the municipal officers shall call a special election to elect directors to serve under
22 the plan for the regional school unit;

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

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

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

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

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

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

1 B. In an election under Method B pursuant to section 1472, subsection 2, a reduction
2 in the number of directors, the addition of directors and the terms of office of
3 additional directors must be in accordance with this chapter.

4 C. In an election under Method C pursuant to section 1472, subsection 3:

5 (1) Nominations for directors must be made on petitions provided by the
6 regional school unit secretary. The petitions must be signed as provided in Title
7 30-A, section 2528, subsection 4 or, if the candidate is a voting resident in a
8 municipality having a population of less than 200, signed by at least 20% of the
9 registered voters of that municipality;

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

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

16 (4) The ballots must be prepared and distributed by the regional school unit
17 secretary. It must give the number of offices to be filled and list the candidates by
18 the municipality or subdistrict in which they are resident;

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

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

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

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

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

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

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

38 **§1474. Vacancies**

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

- 1 A. When the term of office of a regional school unit board director expires;
- 2 B. When a regional school unit board director changes residency from the
3 municipality or subdistrict from which elected. Evidence that an individual is
4 registered to vote in a municipality is prima facie evidence of that individual's
5 residency;
- 6 C. On the death of a regional school unit board director; or
- 7 D. When a regional school unit board director resigns.

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

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

14 3. Filling vacancies. A vacancy on a regional school unit board must be filled
15 according to this subsection.

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

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

22 **§1475. Reapportionment**

23 The commissioner shall determine the necessity for reapportionment.

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

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

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

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

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

36 2. Awaiting census results. If the commissioner receives a request within 12
37 months before a Federal Decennial Census or Federal Estimated Census, the

1 commissioner may wait until after the new census figures are available to make a
2 determination under subsection 1.

3 **3. Findings and order.** If the commissioner finds the regional school unit
4 representation is not apportioned in accordance with the principle of one person, one
5 vote, the commissioner, within 7 days of that decision, shall notify the superintendent of
6 the regional school unit of the finding and order the superintendent to notify the
7 municipal officers in each municipality in the regional school unit and the regional school
8 unit board to create a reapportionment committee. The superintendent's notification must
9 include the commissioner's notification, the information provided pursuant to subsection
10 6 and the time and place for the first meeting of the committee, which must be held not
11 later than 20 days after the notification.

12 **4. Reapportionment committee membership.** The reapportionment committee
13 consists of one municipal officer and one citizen from each member municipality, chosen
14 by the respective municipal officers, and one director from each municipality, chosen by
15 the board of directors. The appointments must be made prior to the first meeting of the
16 committee.

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

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

22 **7. Duties of the reapportionment committee.** The reapportionment committee
23 shall:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

32 **§1476. Powers and duties**

33 The regional school unit board:

34 **1. Regional school unit name.** May select an unofficial name for the regional
35 school unit;

36 **2. Finance committee.** May elect a finance committee of 3 or more members, who
37 must be directors;

38 **3. Operating schools.** Shall authorize and oversee the operation of schools within
39 the regional school unit;

1 4. Purchase land outside the regional school unit. May purchase land outside of
2 the geographical limits of the regional school unit and erect a school on that land if,
3 because of the location of other schools within the regional school unit or transportation
4 difficulties, a school within the geographical limits of the regional school unit would not
5 be in the best interests of the regional school unit community;

6 5. Bylaws. Shall adopt bylaws for the regulation of the affairs of the regional school
7 unit board and the conduct of its business; and

8 6. Gifts. May accept and receive money or other property, outright or in trust, for
9 any specified benevolent or educational purpose. The regional school unit board shall
10 comply with this subsection in accepting gifts.

11 A. If the regional school unit board receives written notice from a prospective donor
12 or a representative of the donor of a proposed gift, the regional school unit board
13 shall submit the matter to its next regular meeting or shall call a special meeting and
14 shall, within 10 days after the meeting, send written notice to the prospective donor
15 or representative of its acceptance or rejection.

16 B. If the gift is in trust, the regional school unit board shall cause the trust funds to be
17 deposited or invested according to Title 30-A, chapter 223, subchapter 3-A.

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

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

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

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

26 (5) If the regional school unit fails to comply with the terms of the trust
27 instrument, the trust fund reverts to the donor or the donor's heirs.

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

30 (1) Prior to the acceptance of a gift, the regional school unit board must obtain
31 approval of the legislative body of the regional school unit.

32 (2) When the donor's part of the agreement respecting the execution of the
33 conditional gift has been completed, the regional school unit shall perpetually
34 comply with, and may raise money to carry into effect, the conditions upon
35 which it was made.

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

1 **§1477. Quorum**

2 A majority of the regional school unit board directors in number and voting power
3 constitutes a quorum.

4 **§1478. Local school committees**

5 A regional school unit board may create local school committees and specify their
6 powers and duties.

7 **§1479. Program**

8 A regional school unit shall maintain a program that includes kindergarten to grade
9 12.

10 1. Secondary school. A secondary school facility may be operated as a 4-year
11 school, as a 6-year school for grades 7 to 12 or as 2 or more 3-year schools, except that
12 students living in an area remote from a public school may be provided for under section
13 5204.

14 2. Contracts for secondary school programs. In addition to the provisions for a
15 secondary school facility set forth in subsection 1, a regional school unit may contract
16 with a nearby regional school unit or with a private school approved for tuition purposes
17 for all or some of its secondary school students. The contract may run from a period of 2
18 to 10 years. The contract must also comply with section 2703 and may provide for the
19 formation of a joint committee in accordance with section 2704. A regional school unit
20 in which a previous education unit has contracted for secondary school programs is
21 bound by the terms of that contract, unless otherwise negotiated by the parties.

22 3. Expiration of contract. After July 1, 2008, if a contract between a previous
23 education unit and another previous education unit or a private school approved for
24 tuition purposes expires, and the previous education unit that was the sending unit is a
25 member of a regional school unit under this chapter, the provisions of this subsection
26 apply.

27 A. A student from the previous education unit that was the sending unit may attend a
28 public school in another school administrative unit or private school approved for
29 tuition purposes subject to the provisions of chapter 219 if that option was available
30 from the previous education unit for the area in which that student resides.

31 B. The regional school unit may negotiate the contract pursuant to chapter 115.

32 4. Absence of contract; maintenance of school choice opportunities. A student
33 who resides in a school administrative unit that does not maintain that student's grade
34 from kindergarten to grade 12, and that does not enter into a contract for the education of
35 its students pursuant to this chapter, has the option of attending a public school in another
36 school administrative unit or private school approved for tuition purposes subject to the
37 provisions of chapter 219 if that option was available from the previous school unit for
38 the area in which that student resides.

1 5. Additional expense. If, pursuant to subsection 4, a student attends a public
2 school in another school administrative unit or private school approved for tuition
3 purposes subject to the provisions of chapter 219, the number of secondary school
4 students from one or more municipalities in a regional school unit that attend a public
5 school in a different school administrative unit or an approved private school is less than
6 all the secondary school students in the regional school unit, the sending municipality of
7 the regional school unit is responsible for the additional expense calculated under this
8 subsection.

9 A. For each secondary school student who attends a public school in another school
10 administrative unit, the sending regional school unit is responsible for an amount
11 equal to the number of secondary school students from that regional school unit
12 multiplied by the amount that the receiving regional school unit's tuition rate
13 pursuant to section 5805 exceeds the amount of the sending regional school unit's
14 tuition rate pursuant to section 5805.

15 B. For each secondary school student who attends a private school approved for
16 tuition purposes subject to the provisions of chapter 219, the sending regional school
17 unit is responsible for an amount equal to the number of secondary school students
18 from the regional school unit attending the private school multiplied by the amount
19 that the private school's tuition rate pursuant to section 5806, or the tuition rate per
20 the contract, if less, exceeds the amount of the sending regional school unit's tuition
21 rate pursuant to section 5805.

22 Any additional expense may not be included in the regional school unit budget when
23 determining each member municipality's local contribution.

24 Any additional expense must be paid by the responsible municipality in equal monthly
25 amounts unless the regional school unit and the member municipality agree to another
26 payment schedule.

27 SUBCHAPTER 4

28 FINANCING

29 §1481. Finances

30 A regional school unit may raise money, in addition to the local contribution pursuant
31 to section 15690, subsection 1, for establishing and maintaining public schools, erecting
32 buildings and providing equipment for educational purposes. The additional costs of
33 operating a regional school unit must be shared among all municipalities within the
34 regional school unit by the same local share percentages for each municipality resulting
35 from the determination of the local contribution under section 15688, except that cost-
36 sharing agreements in existence on the effective date of this section that were adopted
37 pursuant to Public Law 2005, chapter 2 or pursuant to a private and special law remain in
38 existence unless the agreement is modified or eliminated:

39 1. Reorganization. As part of a reorganization to regional school units under this
40 chapter; or

1 2. Negotiated agreement. As a result of a negotiated agreement between the parties
2 to the cost-sharing agreement.

3 Notwithstanding any provision of law to the contrary, a cost-sharing agreement in
4 existence on the effective date of this section that was adopted pursuant to Public Law
5 2005, chapter 2 or pursuant to a private and special law may not be construed to preempt
6 the formation of a regional school unit under this chapter.

7 Notwithstanding any provision of law to the contrary, a cost-sharing agreement
8 between 2 or more municipalities in existence on the effective date of this section that
9 was adopted prior to the effective date of this section may not be construed to preempt the
10 formation of a regional school unit under this chapter.

11 **§1482. Budget preparation**

12 1. Preparation by regional school unit board. A regional school unit board shall
13 annually prepare a budget for:

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

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

24 **§1483. Regional school unit budget; budget formats**

25 1. Content. Beginning with the budget for the 2008-2009 school year, a regional
26 school unit shall include in its budget document:

- 27 A. The regional school unit's total cost of funding public education from
28 kindergarten to grade 12, its non-state-funded debt service, if any, and any additional
29 expenditures authorized by law;
- 30 B. A summary of anticipated revenues and estimated school expenditures for the
31 fiscal year; and
- 32 C. The following statement, including the estimated dollar amount of state retirement
33 payments: "This budget does not include the estimated amount of \$..... in employer
34 share of teacher retirement costs that is paid directly by the State."

35 **§1484. Checklist required**

36 Beginning with the budget for the 2008-2009 school year, prior to a vote on articles
37 dealing with regional school unit appropriations, the moderator of a regular or special

1 regional school unit budget meeting shall require the clerk or secretary of the regional
2 school unit board to make a checklist of the registered voters present. The number of
3 voters listed on the checklist is conclusive evidence of the number present at the meeting.

4 **§1485. Cost center summary budget format**

5 After January 31, 2008, the format of the annual budget of a regional school unit
6 must be in accordance with this section.

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

9 **A. Expenditures:**

10 (1) Regular instruction;

11 (2) Special education;

12 (3) Career and technical education;

13 (4) Other instruction, including summer school and extracurricular instruction;

14 (5) Student and staff support;

15 (6) System administration;

16 (7) School administration;

17 (8) Transportation and buses;

18 (9) Facilities maintenance;

19 (10) Debt service and other commitments; and

20 (11) All other expenditures, including school lunch;

21 **B. Revenue sources:**

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

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

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

27 **C. A summary of total regional school unit expenditures;**

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

32 **E. Data similar to that provided in paragraph A for a high-performing regional**
33 **school unit of a size and demographic profile determined by the department that is**
34 **comparable to the regional school unit; and**

1 F. For fiscal year 2008-09, data documenting state and local savings from the
2 reorganization to regional school units and the resulting mill rate reduction for each
3 municipality.

4 **2. Budget warrant.** The warrant articles presented to the legislative body of the
5 regional school unit for approval of the regional school unit budget must correspond to
6 the categories of the cost center summary budget described in subsection 1. In addition to
7 expenditure and revenue cost center summary totals, the regional school unit board shall
8 provide to voters a reasonably detailed breakdown for each major subcategory within
9 each budget category. The department shall adopt routine technical rules pursuant to Title
10 5, chapter 375, subchapter 2-A defining and establishing the content of those
11 informational subcategories.

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

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

19 **§1486. Budget validation referendum**

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

22 **1. Budget validation.** Following development of the annual regional school unit
23 budget and approval at a regional school unit budget meeting as provided in section 1485,
24 a referendum must be held in the regional school unit as provided in this section to allow
25 the voters to validate or reject the total budget adopted at the regional school unit budget
26 meeting.

27 Every 3 years, the voters in a regional school unit shall consider continued use of the
28 budget validation referendum process. The warrant at the budget validation referendum
29 in the 3rd year following adoption or continuation of the referendum process must
30 include an article by which the voters of the school administrative district may indicate
31 whether they wish to continue the process for another 3 years. A vote to continue retains
32 the process for 3 additional years. A vote to discontinue the process ends its use
33 beginning with the following budget year and prohibits its reconsideration for at least 3
34 years.

35 **2. Validation referendum procedures.** The budget validation referendum must be
36 held on or before the 10th day, other than Saturday, Sunday or a legal holiday, following
37 the scheduled date of the regional school unit budget meeting. The vote at referendum is
38 for the purpose of approving or rejecting the total regional school unit budget approved at
39 the regional school unit budget meeting. The regional school unit board shall provide
40 printed information to be displayed at polling places to assist voters in voting. That
41 information is limited to the total amounts proposed by the regional school unit board for
42 each cost center summary budget category article, the amount approved at the regional

1 school unit budget meeting, a summary of the total authorized expenditures and, if
2 applicable because of action on an article under section 15690, subsection 3, paragraph A,
3 a statement that the amount approved at the regional school unit budget meeting includes
4 locally raised funds over and above the regional school unit's local contribution to the
5 total cost of funding public education from kindergarten to grade 12 as described in the
6 Essential Programs and Services Funding Act.

7 **3. Budget validation referendum voting.** The method of calling and voting at a
8 budget validation referendum is as provided in sections 1503 and 1504, except as
9 otherwise provided in this subsection or as is inconsistent with other requirements of this
10 section.

11 A. A public hearing is not required before the vote.

12 B. The warrant for a regional school unit budget meeting to be followed by a budget
13 validation referendum may be a consolidated warrant covering both.

14 C. The warrant and absentee ballots must be delivered to the municipal clerk at least
15 7 days before the date of the regional school unit budget meeting.

16 D. Absentee ballots received by the municipal clerk may not be processed or counted
17 unless received after the conclusion of the regional school unit budget meeting and
18 before the close of the polls.

19 E. All envelopes containing absentee ballots received before the conclusion of the
20 regional school unit budget meeting or after the close of the polls must be marked
21 "rejected" by the municipal clerk.

22 F. If the school budget does not exceed the maximum state and local spending target
23 pursuant to section 15671-A, subsection 5, the article to be voted on must be in the
24 following form:

25 (1) "Do you favor approving the (name of regional school unit) budget for the
26 upcoming school year that was adopted at the latest regional school unit budget
27 meeting?

28 Yes No"

29 G. If the school budget exceeds the maximum state and local spending target
30 pursuant to section 15671-A, subsection 5, the article to be voted on for a budget that
31 includes locally raised funds over and above the regional school unit's local
32 contribution to the total cost of funding public education from kindergarten to grade
33 12 as described in the Essential Programs and Services Funding Act must be in the
34 following form:

35 (1) "Do you favor approving the (name of regional school unit) budget for the
36 upcoming school year that was adopted at the latest regional school unit budget
37 meeting and that includes locally raised funds that exceed the required local
38 contribution as described in the Essential Programs and Services Funding Act?

39 Yes No

40 A YES vote allows the additional money to be spent for K-12 public education.

1 A NO vote results in a reduction in the property tax mill rate required for
2 education purposes."

3 **4. Failure to approve budget.** If the voters do not validate the budget approved in
4 the regional school unit budget meeting at the budget validation referendum vote, the
5 regional school unit board shall hold another regional school unit budget meeting in
6 accordance with this section and section 1485 at least 10 days after the referendum to
7 vote on a budget approved by the regional school unit board. The budget approved at the
8 regional school unit budget meeting must be submitted to the voters for validation at
9 referendum in accordance with this section. The process must be repeated until a budget
10 is approved at a regional school unit budget meeting and validated at referendum. If a
11 budget is not approved and validated before July 1st of each year, section 1487 applies.

12 **§1487. Failure to pass budget**

13 If a budget for the operation of a regional school unit is not approved prior to July
14 1st, the latest budget as submitted by the regional school unit board is automatically
15 considered the budget for operational expenses for the ensuing year until a final budget is
16 approved, except that, when the regional school unit board delays the regional school unit
17 budget meeting, the operating budget must be approved within 30 days of the date the
18 commissioner notifies the regional school unit board of the amount allocated to the
19 regional school unit under section 15689-B, or the latest budget submitted by the regional
20 school unit board becomes the operating budget for the next school year.

21 **§1488. Special budget meeting**

22 The regional school unit board may call a special budget meeting when it declares
23 that an emergency exists. The voters of the regional school unit may authorize the
24 regional school unit board at a special regional school unit budget meeting to expend
25 additional funds from the regional school unit's undesignated fund balance or to pledge
26 the credit of the regional school unit to obtain additional money for the operation of
27 schools. A special budget meeting held on or after July 1, 2008 must be conducted in
28 accordance with sections 1485 and 1486.

29 **§1489. Regional school unit assessments**

30 Regional school unit assessments must follow the procedures set out in this section.

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

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

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

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

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

9 6. Enforcement. If a municipal treasurer fails to pay the installment due, or any
10 part, on the dates required, to initiate collection procedures, the treasurer of the regional
11 school unit may notify the municipal treasurer of the failure to pay. Interest accrues on
12 each unpaid installment at the rate established under Title 36, section 186 beginning on
13 the 60th day after the date the installment is due under subsection 4. If payment of an
14 installment is not made within 60 days after the due date, the treasurer of the regional
15 school unit may initiate an action in Superior Court to compel payment of the delinquent
16 installment. The court shall determine the amount owed by the municipality to the
17 regional school unit and shall order the municipal treasurer to pay all delinquent
18 installments, accrued interest and any court costs and reasonable attorney's fees incurred
19 by the regional school unit. To ensure prompt payment of the delinquent installments, the
20 court may require that amounts due to the municipality from the State under Title 30-A,
21 section 5681 and Title 36, sections 578 and 685 be paid to the regional school unit until
22 the amount determined by the court is satisfied. The court shall promptly notify the
23 disbursing state agency of the determination and direct the agency to make the required
24 change in payee and the amounts to be paid. If additional funds are needed to satisfy the
25 amount determined by the court to be paid to the regional school unit, the court may order
26 the attachment or trustee process and sale of real or personal property owned by the
27 municipality or the attachment of the municipality's bank accounts or require property tax
28 payments to the municipality to be turned over to the court and may pay the amount owed
29 the regional school unit from the proceeds and return any excess to the municipality.

30 §1490. Power to borrow money

31 1. Regional school unit board. A regional school unit board may borrow money to
32 pay for:

33 A. Current operating expenses of the regional school unit if the loans are repaid
34 within 13 months of the date of borrowing and are limited to an amount reasonably
35 required for current operating expenses;

36 B. School construction projects as defined in section 15901; and

37 C. Minor capital costs as defined in section 15672, subsection 20-A.

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

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

6 B. Notes or bonds issued by a regional school unit must be signed by the treasurer or
7 assistant superintendent and countersigned by the chair of the regional school unit
8 board. If coupon bonds are issued, each coupon must be attested by a facsimile
9 signature of the treasurer.

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

13 **3. Temporary notes.** Prior to issuing authorized school construction bonds or notes,
14 the regional school unit board may borrow in anticipation of their sale by issuing
15 temporary notes and renewal notes subject to this subsection.

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

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

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

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

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

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

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

41 **5. Regional school unit status.** Notes and bonds, and loans to pay current operating
42 expenses and contracts, are legal obligations of the regional school unit. The regional

1 school unit is a quasi-municipal corporation within the meaning of Title 30-A, section
2 5701, and all the provisions of that section apply to it.

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

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

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

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

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

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

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

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

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

41 (1) The secretary of the regional school unit board shall, within 5 days of the
42 date of the passage of the resolution, cause attested copies of the resolution to be

1 posted in 3 public and conspicuous places within each of the municipalities
2 within the regional school unit. The secretary shall make a return of the posting
3 stating its time and place. The return must be kept with the records of the regional
4 school unit, and a copy of the return must be mailed to each of the municipal
5 officers of each municipality within the regional school unit.

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

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

18 **§1491. Reserve fund**

19 1. Establishment. A regional school unit may establish a reserve fund for school
20 construction projects, financing the acquisition or reconstruction of a specific or type of
21 capital improvement or financing the acquisition of a specific item or type of capital
22 equipment by including a request in the regional school unit budget and receiving voter
23 approval. The regional school unit board is the trustee of the reserve fund. The reserve
24 fund must be deposited or invested by the treasurer of the regional school unit under the
25 direction of the regional school unit board.

26 2. Deposit or investment. All regional school unit funds, including reserve funds
27 and trust funds to the extent not prohibited by the terms of the instrument or vote creating
28 the fund, must be deposited or invested by the treasurer of the regional school unit under
29 the direction of the regional school unit board according to the requirements for the
30 deposit or investment of municipal funds contained in Title 30-A, chapter 223, subchapter
31 3-A.

32 3. Expending money from reserve funds. The regional school unit board may
33 expend the sum in the reserve fund when authorized to do so by a vote of the regional
34 school unit at a regional school unit meeting or a regional school unit budget meeting
35 when an article for that purpose is set out in the warrant calling the meeting.
36

37 **§1492. Bid procedure**

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

1 school unit board. A warrant must be prepared and distributed at least 30 days prior to the
2 date of the referendum, except that a warrant for a regional school unit budget
3 referendum held in accordance with this chapter must be prepared and distributed at least
4 14 days prior to the date of the referendum.

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

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

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

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

24 A. On or after July 1, 2008, when a referendum is called for the purpose of
25 authorizing the issuance of bonds or notes for capital outlay purposes, the articles
26 must be substantially as set out in this paragraph.

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

32 Yes No"

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

38 Yes No"

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

1 (specifically defined lot where
2 school is to be located)?

3 Yes No"

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

15 Yes No"

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

20 C. On or after July 1, 2008, when a referendum is called for the purpose of
21 authorizing the regional school unit board to contract for the schooling of secondary
22 pupils, the article must be as set out in this paragraph.

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

27 Yes No"

28 D. On or after July 1, 2008, when a referendum is called for the purpose of accepting
29 or rejecting a prospective gift, the article must be as set out in this paragraph.

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

33 Yes No"

34 **§1503. Referendum procedures**

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

39 **2. Voting.** Voting must be held and conducted in accordance with this subsection.

40 A. The voting at referenda held in towns must be held and conducted in accordance
41 with Title 30-A, sections 2524 and 2528 to 2532, even though the town has not
42 accepted the provisions of Title 30-A, sections 2524 and 2525. The facsimile

1 signature of the clerk under Title 30-A, section 2528, subsection 6, paragraph F must
2 be that of the chair of the regional school unit board. If a regional school unit
3 referendum is called to be held simultaneously with any statewide election, the voting
4 in towns must be held and conducted in accordance with Title 21-A, except that the
5 duties of the Secretary of State must be performed by the regional school unit board
6 and, if the statewide election is a primary election, any registered voter may vote in
7 the referendum. The absentee voting procedure of Title 21-A must be used, except
8 that the duties of the Secretary of State must be performed by the regional school unit
9 board.

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

15 **3. Return and counting.** The return and counting of votes must be in accordance
16 with this subsection.

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

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

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

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

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

33 **§1504. Reconsideration**

34 The procedure to reconsider votes taken at a regional school unit referendum is as set
35 out in this section.

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

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

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

11 §1505. Bonds; notes; other

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

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

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

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

29 §1506. Debt liability

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

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

37 B. "Original education unit" means:

38 (1) A previous education unit that has existing debt; or

1 (2) A municipality that has existing debt incurred on behalf of a previous
2 education unit.

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

5 **2. Liability remains with original unit.** Existing debt held by an original education
6 unit remains the obligation of that original education unit after reorganization pursuant to
7 this chapter. An original education unit may not be finally dissolved while any existing
8 debt held by the original education unit remains outstanding. All aspects of an original
9 education unit's administrative or political organization may be merged into a new unit or
10 otherwise modified to accomplish the purposes of this chapter but its existing debt and its
11 right to secure payment of such debt from income streams that existed at the time of the
12 issuance of such debt may not be affected or altered except as authorized by this section.

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

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

27 C. A new unit may issue bonds or other debt instruments for the purpose of
28 refinancing or retiring the existing debt of an original education unit. The issuance of
29 such bonds or other debt must be in accordance with applicable procedural
30 requirements, including the procedural requirements of section 1490.

31 **3. No impact on state debt subsidies.** A change in any administrative or political
32 organization resulting from the creation of a new unit may not affect any state subsidy
33 with respect to existing debt or the relative portion of any such debt paid or reimbursed
34 by the State except as provided in this subsection.

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

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

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

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

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

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

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

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

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

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

33 **SUBCHAPTER 6**

34 **SCHOOLS**

35 **§1511. Supermajority vote to close school in the regional school unit**

36 A school operated within the regional school unit may not be closed unless closure of
37 the school is approved at a regular or special meeting of the regional school unit board by
38 an affirmative vote of 2/3 of the elected membership or voting power of the regional
39 school unit board.

1 **§1512. Closing school**

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

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

7 Yes No

8 The additional cost of keeping the school open has been estimated by the regional
9 school unit board to be \$"

10 The election must be conducted within that member municipality only, pursuant to
11 department rule, and the costs of the election are borne by the regional school unit.

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

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

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

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

33 **4. Definition of school closing.** For purposes of this section, a school closing is any
34 action by the regional school unit board that has the effect of providing no instruction for
35 any students at that school.

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

1 2. Collaborative agreement. "Collaborative agreement" means an agreement to
2 share the responsibility for and cost of the delivery of certain administrative, instructional
3 and noninstructional functions. "Collaborative agreements" includes, but is not limited
4 to:

5 A. Shared purchasing or contract agreements;

6 B. Agreements for shared staff or staff training;

7 C. Agreements to share technology or technology support;

8 D. Agreements to provide special education programs and support services;

9 E. Agreements to share accounting, payroll and financial management services;

10 F. Agreements to coordinate transportation routing and vehicle maintenance;

11 G. Agreements to share food service planning and purchasing; and

12 H. Agreements to coordinate energy and facilities management.

13 **§2602. Development of collaborative agreements**

14 A school administrative unit may enter into collaborative agreements with other
15 school administrative units and, whenever possible, with local and county governments
16 and State Government, to achieve efficiencies and reduce costs in the delivery of
17 administrative, instructional and noninstructional functions.

18 **§2603. Collaborative agreements between previous education units**

19 A collaborative agreement between 2 or more previous education units may remain in
20 effect after July 1, 2008. Notwithstanding any other provision of law to the contrary,
21 collaborative agreements in existence on the effective date of this section may be
22 extended or modified by the parties to the collaborative agreement.

23 **Sec. A-23. 20-A MRSA §4102**, as amended by PL 1999, c. 206, §3, is further
24 amended by adding at the end a new paragraph to read:

25 Before a regional school unit board may close a school building pursuant to this
26 section, voter approval must be obtained in accordance with section 1512.

27 **Sec. A-24. 20-A MRSA §15680, sub-§1, ¶A**, as enacted by PL 2003, c. 504, Pt.
28 A, §6, is amended to read:

29 A. System administration. The per-pupil amount for "system administration" is the
30 actual system administration expenditures, as defined in the State's accounting
31 handbook for local school systems, for the most recent year available excluding
32 expenditures for leases and the purchase of land and buildings, less revenues to
33 system administration for services to other governments and refunds from a statewide
34 school management association, divided by the average October and April enrollment
35 counts for that fiscal year and then inflated to an estimated allocation year level by a
36 10-year average increase in the Consumer Price Index or other comparable index.
37 Beginning in school year 2008-2009, this per-pupil amount must be based on school

1 year 2005-2006 system administration expenditures then reduced by 50% and
2 inflated to an estimated allocation year level by a 10-year average increase in the
3 Consumer Price Index or other comparable index;

4 **Sec. A-25. 20-A MRSA §15680, sub-§1, ¶B**, as enacted by PL 2003, c. 504, Pt.
5 A, §6, is amended to read:

6 B. Operation and maintenance of plant. The per-pupil amount for "operation and
7 maintenance of plant" is the actual operation and maintenance of plant expenditures,
8 as defined in the State's accounting handbook for local school systems, for the most
9 recent year available excluding expenditures for leases and the purchase of land and
10 buildings, divided by the average October and April enrollment counts for that fiscal
11 year and then inflated to an estimated allocation year level by a 10-year average
12 increase in the Consumer Price Index or other comparable index. For school year
13 2008-2009, the resulting per-pupil amount must be reduced by 5%;

14 **Sec. A-26. 20-A MRSA §15681-A, sub-§2-A** is enacted to read:

15 2-A. Reduction for fiscal year 2008-09. For fiscal year 2008-09, the commissioner
16 shall reduce by 5% the allocation for special education costs as described in subsection 2.
17 These calculated special education costs for school administrative units for fiscal year
18 2008-09 are subject to the appeals procedure described in subsection 2.

19 **Sec. A-27. 20-A MRSA §15681-A, sub-§3-A** is enacted to read:

20 3-A. Reduction for fiscal year 2008-09. For fiscal year 2008-09, the commissioner
21 shall reduce by 5% the allocation for transportation costs as described in subsection 3.
22 These calculated transportation costs for school administrative units for fiscal year 2008-
23 09 are subject to the appeals procedure described in subsection 3.

24 **Sec. A-28. 20-A MRSA §15688, sub-§2**, as amended by PL 2005, c. 2, Pt. D,
25 §54 and affected by §§72 and 74 and c. 12, Pt. WW, §18, is further amended to read:

26 **2. Member municipalities in school administrative districts, community school**
27 **districts, regional school units; total costs.** For each municipality that is a member of a
28 school administrative district or, community school district or regional school unit, the
29 commissioner shall annually determine each municipality's total cost of education. A
30 municipality's total cost of education is the school administrative district's or, community
31 school district's or regional school unit's total cost of education multiplied by the
32 percentage that the municipality's most recent calendar year average pupil count is to the
33 school administrative district's or, community school district's or regional school unit's
34 most recent calendar year average pupil count.

35 **Sec. A-29. 20-A MRSA §15688, sub-§3-A**, as enacted by PL 2005, c. 2, Pt. D,
36 §56 and affected by §§72 and 74 and c. 12, Pt. WW, §18, is amended to read:

37 **3-A. School administrative unit; contribution.** For each school administrative
38 unit, the commissioner shall annually determine the school administrative unit's required
39 contribution, the required contribution of each municipality that is a member of the unit,

1 if the unit has more than one member, and the State's contribution to the unit's total cost
2 of education in accordance with the following.

3 A. For a school administrative unit composed of only one municipality, the
4 contribution of the unit and the municipality is the same and is the lesser of:

5 (1) The total cost described in subsection 1; and

6 (2) The total of the full-value education mill rate calculated in section 15671-A,
7 subsection 2 multiplied by the property fiscal capacity of the municipality.

8 B. ~~For~~ Except as provided in paragraph B-1, for a school administrative district or,
9 community school district or regional school unit composed of more than one
10 municipality, each municipality's contribution to the total cost of education is the
11 lesser of:

12 (1) The municipality's total cost as described in subsection 2; and

13 (2) The total of the full-value education mill rate calculated in section 15671-A,
14 subsection 2 multiplied by the property fiscal capacity of the municipality.

15 B-1. For a regional school unit, if the amount calculated pursuant to paragraph B is
16 less than 2 mills multiplied by the property fiscal capacity of the municipality, the
17 municipality's contribution to the total cost of education is an amount equal to 2 mills
18 multiplied by the property fiscal capacity of the municipality. The difference in the
19 amount calculated pursuant to paragraph B and the amount calculated pursuant to this
20 paragraph, which amount may not be less than zero, must be used to proportionally
21 lower the local contribution in the remaining municipalities.

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

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

26 (2) The sum of the totals calculated for each member municipality pursuant to
27 paragraph B, subparagraph (2), plus the total calculated pursuant to paragraph B-
28 1 if applicable.

29 D. The state contribution to the school administrative unit's total cost of education is
30 the total cost of education calculated pursuant to subsection 1 less the school
31 administrative unit's contribution calculated pursuant to paragraph A or C, as
32 applicable. The state contribution is subject to reduction in accordance with section
33 15690, subsection 1, paragraph C.

34 **Sec. A-30. 20-A MRSA §15689-D**, as enacted by PL 2005, c. 2, Pt. D, §61 and
35 affected by §§72 and 74 and c. 12, Pt. WW, §18, is amended to read:

36 **§15689-D. Governor's recommendation for funding levels**

37 The Department of Administrative and Financial Services, Bureau of the Budget shall
38 annually certify to the Legislature the funding levels that the Governor recommends
39 under sections 15683, 15683-A, 15689 and 15689-A. The Governor's recommendations
40 must be transmitted to the Legislature within the time schedules set forth in Title 5,

1 section 1666. The commissioner may adjust, consistent with the Governor's
2 recommendation for funding levels, per-pupil amounts not related to staffing pursuant to
3 section 15680 and targeted funds pursuant to section 15681.

4 **Sec. A-31. 20-A MRSA §15690, sub-§1, ¶B,** as amended by PL 2005, c. 12, Pt.
5 WW, §5 and affected by §18, is further amended to read:

6 B. For a school administrative district or, a community school district or a regional
7 school unit, an article in substantially the following form must be used when the
8 school administrative district or, community school district or regional school unit is
9 considering the appropriation of an amount up to its required contribution to the total
10 cost of education as described in section 15688.

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

19 Total Appropriated (by municipality):	Total raised (district assessments
20	by municipality):
21 Town A (\$amount)	Town A (\$amount)
22 Town B (\$amount)	Town B (\$amount)
23 Town C (\$amount)	Town C (\$amount)
24 School District	School District
25 Total Appropriated	Total Raised
26 (\$sum of above)	(\$sum of above)"

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

33 **Sec. A-32. 20-A MRSA §15691-A** is enacted to read:

34 **§15691-A. Municipal assessment paid to a regional school unit**

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

37 **1. Presentation of assessment schedule.** The assessment schedule based on the
38 budget approved at a regional school unit budget meeting must be presented to the
39 treasurer of each municipality that is a member of the regional school unit. The
40 assessment schedule must include each member municipality's share of the school

1 administrative unit's contribution to the total cost of funding public education from
2 kindergarten to grade 12 as described in section 15688 and the school administrative
3 unit's contribution to debt service for non-state-funded school construction projects and
4 additional local funds for school purposes under section 15690.

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

9 **Sec. A-33. 20-A MRSA §15696** is enacted to read:

10 **§15696. Penalties for nonconforming school administrative units**

11 **1. Authorized adjustments.** Notwithstanding any other provision of this Title, the
12 following adjustments to the calculation of subsidy under chapter 606-B are required
13 beginning July 1, 2009 for a school administrative unit that is not a conforming school
14 administrative unit:

15 **A.** The school administrative unit is not eligible for the minimum state allocation
16 under Title 20-A, section 15689, subsection 1;

17 **B.** The school administrative unit's total cost of education is reduced by adjusting the
18 cost component for system administration under section 15680, subsection 1,
19 paragraph A to zero;

20 **C.** The school administrative unit is not eligible for:

21 (1) The isolated small school adjustment under section 15683, subsection 1,
22 paragraph F, or

23 (2) A transition adjustment under section 15686 or any comparable year-over-
24 year transition amount;

25 **D.** The school administrative unit's mill rate under section 15671-A is increased by
26 5% over the full-value education mill rate; and

27 **E.** The school administrative unit receives less favorable consideration for approval
28 and funding for school construction pursuant to rules of the state board.

29 **Sec. A-34. 20-A MRSA §15755**, as enacted by PL 2005, c. 2, Pt. D, §63 and
30 affected by §§72 and 74 and c. 12, Pt. WW, §18, is repealed.

31 **Sec. A-35. 20-A MRSA §15904, sub-§3-A** is enacted to read:

32 **3-A. Regional school units.** In a regional school unit, the vote must be conducted in
33 accordance with chapter 103-A.

34 **Sec. A-36. Legislative intent and policy.** This Part establishes the process for
35 increasing the efficiency and effectiveness of school administrative units by providing a
36 process for reorganizing them into regional school units that meet the policies set forth in
37 the Maine Revised Statutes, Title 20-A, section 1451 and by assisting units to develop
38 more efficient structures for providing administrative services.

1 **1. Meetings to be convened in each career and technical education region.** Not
2 later than July 15, 2007, the Commissioner of Education, or the commissioner's designee,
3 shall convene one or more meetings in each of the career and technical education regions
4 in the State to present information about the requirements of this Part regarding
5 consolidation and collaboration among school administrative units.

6 A. The Commissioner of Education shall provide notice of the meeting or meetings
7 to municipal officials and school officials from the municipalities and school
8 administrative units within the region, as well as to the general public.

9 B. In addition to other information presented at the meeting, the Commissioner of
10 Education shall provide one or more maps showing the suggested alignment of
11 municipalities and other school administrative units designed to increase efficiency
12 and improve educational quality and to meet the requirements of subsection 6.

13 C. Maps presented by the Commissioner of Education and alignment options
14 considered by school administrative unit representatives must reflect:

15 (1) The intent and goals set forth in Title 20-A, section 1451; and

16 (2) The intent that school units existing on the effective date of this Act be
17 reorganized into not more than 80 regional units and that units of at least 2,500
18 resident students be created, except where circumstances make that size
19 impractical. Where circumstances make a unit of 2,500 students impractical, the
20 unit must serve as close to 2,500 students as possible and in no case, except for
21 offshore islands and schools operated by a tribal school committee, may it serve
22 fewer than 1,200 students.

23 **2. Notice of intent.** By August 31, 2007, each school administrative unit shall file
24 with the Commissioner of Education:

25 A. A notice of intent to engage in planning and negotiations with other school
26 administrative units for the purpose of developing a reorganization plan to form a
27 regional school unit under this Part and Title 20-A, chapter 103-A; or

28 B. A notice of intent to submit an alternative plan that meets the requirements of
29 subsection 6, paragraph F. An alternative plan may be submitted only by a unit that
30 is:

31 (1) An offshore island;

32 (2) A school operated by a tribal school committee pursuant to the Maine
33 Revised Statutes, Title 30, section 6214; or

34 (3) A school administrative unit that serves more than 2,500 students, or 1,200
35 students where 2,500 is impractical under subsection 6, paragraph A, where
36 expansion of the unit would be inconsistent with the policies set forth in Title 20-
37 A, section 1451.

38 The Commissioner of Education shall respond to each notice of intent by September 15,
39 2007, indicating whether the intended action complies with the requirements of this Part.

1 **3. Reorganization planning committee.** Municipalities that intend to engage in
2 planning and negotiation to create a regional school unit shall form a reorganization
3 planning committee.

4 A. For each proposed regional school unit, the Commissioner of Education shall
5 provide guidelines for the formation of a reorganization planning committee
6 including representation from the school administrative units in existence on the
7 effective date of this Part, member municipalities and members of the general public
8 who are residents of the proposed regional school unit. The guidelines must include
9 roles and responsibilities of the committee, timelines for submission of the plan, the
10 format for reporting the reorganization plan and evaluation criteria for approval of the
11 plan.

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

14 **4. Submission of plans.** By December 1, 2007, each municipality shall submit to
15 the Commissioner of Education either:

16 A. Its proposed reorganization plan for consolidation into a regional school unit that
17 meets the requirements of subsections 5 and 6; or

18 B. Its proposed plans for reducing the cost of services within the school
19 administrative unit to meet the requirements of subsection 6, paragraph F.

20 **5. Content.** A reorganization plan must include:

21 A. The units of school administration to be included in the proposed regional school
22 unit;

23 B. The size, composition and apportionment of the governing body;

24 C. The method of voting of the governing body;

25 D. The composition, powers and duties of any local school committees to be created;

26 E. The disposition of real and personal school property;

27 F. The disposition of existing school indebtedness and lease-purchase obligations if
28 the parties elect not to use the provisions of section 1506 regarding the disposition of
29 debt obligations;

30 G. The assignment of school personnel contracts, school collective bargaining
31 agreements and other school contractual obligations;

32 H. The disposition of existing school funds and existing financial obligations,
33 including undesignated fund balances, trust funds, reserve funds and other funds
34 appropriated for school purposes;

35 I. A transition plan that addresses the development of a budget for the first school
36 year of the reorganized unit and interim personnel policies;

37 J. Documentation of the public meeting or public meetings held to prepare or review
38 the reorganization plan;

- 1 K. An explanation of how units that approve the reorganization plan will proceed if
- 2 one or more of the proposed members of the regional school unit fail to approve the
- 3 plan;
- 4 L. An estimate of the cost savings to be achieved through formation of a regional
- 5 school unit and how costs will be reduced; and
- 6 M. Such other matters as the governing bodies of the school administrative units in
- 7 existence on the effective date of this Part may determine to be necessary.
- 8 **6. Parameters.** In developing a reorganization plan for school administrative units
- 9 in existence on the effective date of this Part, the governing bodies of school
- 10 administrative units shall work within the following parameters:
- 11 A. The proposed regional school unit must serve not fewer than 2,500 students,
- 12 except where circumstances relating to the following factors justify an exception:
- 13 (1) Geography, including physical proximity and the size of the current school
- 14 administrative unit;
- 15 (2) Demographics, including student enrollment trends and the composition and
- 16 nature of communities in the regional school unit;
- 17 (3) Economics, including existing collaborations to be preserved or enhanced
- 18 and opportunities to deliver commodities and services to be maximized;
- 19 (4) Transportation;
- 20 (5) Population density; or
- 21 (6) Other unique circumstances including the need to preserve existing or
- 22 developing relationships, meet the needs of students, maximize educational
- 23 opportunities for students and ensure equitable access to rigorous programs for
- 24 all students.
- 25 Where circumstances make a unit of 2,500 students impractical, the unit must serve
- 26 as close to 2,500 students as possible and in no case, except for offshore islands and
- 27 schools operated by tribal school committees, may it serve fewer than 1,200 students.
- 28 B. The proposed unit, viewed in conjunction with surrounding proposed units, may
- 29 not result in one or more municipalities being denied the option to join a regional
- 30 school unit;
- 31 C. The plan must provide comprehensive programming for all students from
- 32 kindergarten to grade 12 and must include at least one publicly supported secondary
- 33 school;
- 34 D. The plan must be consistent with the policies set forth in Title 20-A, section 1451;
- 35 E. The plan may not displace teachers or students or close any schools existing and
- 36 operating during the school year immediately preceding reorganization, except as
- 37 permitted under section 1512; and
- 38 F. The plan must reorganize administrative functions, duties and noninstructional
- 39 personnel in order that the following be accomplished:

1 (1) The projected expenditures of the reorganized school unit in fiscal year 2008-
2 09 for transportation, special education and facilities and maintenance must be
3 5% less than the projected transportation, special education and facilities and
4 maintenance expenditures of each of the participating school administrative units
5 in fiscal year 2007-08; and

6 (2) The projected expenditures of the reorganized school unit in fiscal year 2008-
7 09 for system administration must be no more than the legislatively approved
8 essential programs and services system administration rate established for fiscal
9 year 2008-09.

10 **7. Review and approval of plans.** If the Commissioner of Education finds that a
11 plan for reorganization meets the requirements of this Part, the commissioner shall notify
12 the municipalities and school administrative units and they shall proceed with
13 referendum.

14 A. If the Commissioner of Education finds that a plan for reorganization is not
15 consistent with subsection 6 and the purposes and goals of this Part, or that it has not
16 adequately addressed the matters set forth in subsection 6, the commissioner shall
17 return the plan to the governing bodies of that school administrative unit by
18 December 15, 2007 with specific suggestions for modification of the plan.

19 B. Upon the return of a reorganization plan by the Commissioner of Education, the
20 governing body of the school administrative unit shall revise the proposed plan for
21 reorganization to address the commissioner's findings and submit a revised plan for
22 reorganization not more than 30 days after the commissioner returns the plan for
23 revision.

24 C. The Commissioner of Education shall approve or disapprove the revised plan for
25 reorganization not more than 14 days after it is refiled by the unit.

26 **8. Referendum on reorganization plan.** The municipal officers of each
27 municipality in a proposed reorganized school administrative unit shall place a warrant
28 article substantially as follows on the ballot of a municipal referendum conducted on
29 January 15, 2008 in accordance with the referendum procedures applicable to the school
30 administrative unit of which the municipality is a member.

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

35 Yes/No"

36 The following statement must accompany the article:

37 "Explanation:

38 A "YES" vote means that you approve of the (municipality or SAU) joining the
39 proposed regional school unit, which will be provided with the following incentives:

40 More favorable consideration in approval and funding of school construction
41 projects; and

1 Eligibility for additional financial support for reorganization costs.
2 A "NO" vote means that you do not approve of the (municipality or SAU) joining a
3 regional school unit, which will result in the existing (municipality or school
4 administrative unit) receiving the following penalties:
5 Less favorable consideration in approval and funding of school construction
6 projects; and
7 A reduction in state funding of education costs in an amount estimated to be
8 \$_____ for school year 200_ and \$_____ for school year 200_, with the
9 possibility of ongoing penalties for continued failure to join an approved regional
10 school unit. Reductions in state education funding will result in an increased mill
11 rate expectation of _____ (mills) and an increase in property taxes of \$ _____
12 for tax year _____."

13 The Department of Education shall pay the cost of a referendum conducted before or on
14 January 15, 2008.

15 **9. Results of referendum.** Each school administrative unit shall report the results of
16 the referendum to the Department of Education.

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

20 B. A reorganization plan is approved by the member municipalities of a
21 nonkindergarten to grade 12 community school district if the majority of votes cast in
22 the member municipalities is in favor of approval of the plan. Approval results in all
23 member municipalities joining the regional school unit for all purposes for
24 kindergarten to grade 12.

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

28 D. If a reorganization plan is approved by all of the affected school administrative
29 units, or by the school administrative units considered sufficient under the proposed
30 units' reorganization plan, the Commissioner of Education shall file notice of
31 approval of the unit with the State Board of Education.

32 **10. Certificate of organization.** If a plan or revised plan for reorganization has
33 been approved by the Commissioner of Education and approved by voters at the
34 referendum, the State Board of Education shall issue a certificate of organization to the
35 school administrative units that are reorganized into regional school units.

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

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

4 B. The penalties set forth in Title 20-A, section 15696 apply to any school
5 administrative unit that fails to approve a reorganization plan on or before November
6 4, 2008 and to implement that plan by July 1, 2009.

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

14 **Sec. A-37. Role of the Department of Education.** In order to provide for the
15 orderly implementation of this Part, the Department of Education shall:

16 **1. Prepare models.** Prepare one or more models for the reorganization of school
17 administrative units in existence on the effective date of this Part, consistent with the
18 provisions of subsection xxx;

19 **2. Assist in collection and presentation of data.** Assist all of the governing bodies
20 of school administrative units in existence on the effective date of this Part in the
21 collection and presentation of data pertinent to the charge established by this Part;

22 **3. Assist in meetings and caucuses.** Assist in the organization of the meetings and
23 caucuses convened by the governing bodies of the school administrative units in
24 existence on the effective date of this Part to prepare reorganization plans as provided in
25 subsection 1;

26 **4. Provide facilitation services.** Make available, upon request, facilitation services
27 to the governing bodies of the school administrative units in existence on the effective
28 date of this Part to ensure the ability of those school administrative units to fulfill the
29 charges required by this Part;

30 **5. Adjust EPS rates.** Adjust EPS rates for transportation, facilities and
31 maintenance, special education and system administration expenditures to reflect the
32 ongoing efficiencies resulting from the reorganization of school administrative units in
33 existence on the effective date of this Part;

34 **6. Submit report.** Submit a report to the Legislature no later than February 1, 2008
35 that describes the compliance of the participating school administrative units in existence
36 on the effective date of this Part with the requirements of this Part.

37 **Sec. A-38. Notification of allocation of funding to school administrative**
38 **units.** Notwithstanding the Maine Revised Statutes, Title 20-A, section 15689-B,
39 subsection 2, paragraph A, the notice by the Commissioner of Education to school boards

1 of the estimated amount of state funds to be allocated to the school administrative unit for
2 school years 2008-2009 and 2009-2010 must be provided not later than March 31st.

3 **Sec. A-39. Adjustment for regional school unit start-up costs.** The
4 Commissioner of Education shall establish an adjustment for the fiscal year 2008-09 to
5 support the start-up costs associated with the reorganization of school administrative units
6 to regional school units in accordance with the Maine Revised Statutes, Title 20-A,
7 chapter 103-A.

8 **Sec. A-40. Initial staggered terms.** Notwithstanding the Maine Revised
9 Statutes, Title 20-A, section 1471, subsection 2, the initial directors elected to a regional
10 school unit board of directors shall meet and draw lots for the length of term specified as
11 follows.

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

16 **2. Municipalities with biennial elections.** In municipalities with biennial elections,
17 1/2 of the directors serve 4-year terms and 1/2 of the directors serve 2-year terms. If the
18 number of directors is not divisible by 2, the remaining director serves a 4-year term.

19 The directors shall serve their terms as determined at the organizational meeting and
20 an additional period until the next regular election of the municipalities. Thereafter, the
21 directors' terms of office are as established in accordance with the provisions of Title 20-
22 A, section 1471.

23 **Sec. A-41. Transfer of property and assets; regional school units**
24 **approved prior to January 16, 2008.** This section applies to a regional school unit
25 that is approved prior to January 16, 2008.

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

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

36 **3. Financing assumed debts.** A regional school unit shall assume the outstanding
37 indebtedness of a school administrative unit in existence prior to July 1, 2008 for school
38 construction projects approved for subsidy under Title 20-A, chapter 609 and pursuant to
39 section 1506. If a regional school unit board of directors has assumed the outstanding
40 indebtedness of a school administrative unit in existence prior to July 1, 2008 the

1 directors of the regional school unit board may, notwithstanding any other statute or any
2 provision of any trust agreement, use any sinking fund or other money set aside by the
3 school administrative unit in existence prior to July 1, 2008 to pay off the indebtedness
4 for which the money was dedicated. A regional school unit board of directors is not
5 required to assume the outstanding indebtedness of a school administrative unit in
6 existence prior to July 1, 2008 in its regional school unit for nonstate funded projects
7 pursuant to Title 20-A, section 15905-A and pursuant to section 1481.

8 **Sec. A-42. Transfer of property and assets; regional school units**
9 **approved after January 15, 2008.** This section applies to a regional school unit that
10 is approved after January 15, 2008 and before November 5, 2008.

11 **1. Board of directors.** The directors of the board of each regional school unit
12 established in the Maine Revised Statutes, Title 20-A, chapter 103-A shall determine
13 what school property of the municipalities in existence prior to July 1, 2009 and of the
14 school administrative units in existence prior to July 1, 2009 in their regions is necessary
15 to carry out the functions of the regional school unit and shall request in writing that the
16 board of each such school administrative unit or the municipal officers transfer title of
17 their school property and buildings to the regional school unit board of directors.

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

21 **3. Financing assumed debts.** A regional school unit shall assume the outstanding
22 indebtedness of a school administrative unit in existence prior to July 1, 2009 for school
23 construction projects approved for subsidy under Title 20-A, chapter 609 and pursuant to
24 section 1506. If a regional school unit board of directors has assumed the outstanding
25 indebtedness of a school administrative unit in existence prior to July 1, 2009 the
26 directors of the regional school unit board may, notwithstanding any other statute or any
27 provision of any trust agreement, use any sinking fund or other money set aside by the
28 school administrative unit in existence prior to July 1, 2009 to pay off the indebtedness
29 for which the money was dedicated. A regional school unit board of directors is not
30 required to assume the outstanding indebtedness of a school administrative unit in
31 existence prior to July 1, 2009 in its regional school unit for nonstate funded projects
32 pursuant to Title 20-A, section 15905-A and pursuant to section 1481.

33 **Sec. A-43. Operational date and transfer of authority.**

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

37 **2. Transfer of governing authority; regional school units approved prior to**
38 **January 16, 2008.** This subsection applies to regional school units approved prior to
39 January 16, 2008. The regional school unit board of directors, on the date established in
40 subsection 1, shall assume responsibility for the management and control of the public
41 schools and programs within the school administrative units in existence prior to July 1,
42 2008 that are within the regional school unit. Those school administrative units in

1 existence prior to July 1, 2008, on the date established in subsection 1, have no further
2 responsibility for the operation or control of the public schools and programs within the
3 school administrative unit except those pursuant to section 1481.

4 **3. Transfer of governing authority; regional school units approved after**
5 **January 15, 2008.** This subsection applies to regional school units approved after
6 January 15, 2008 and before November 5, 2008. The regional school unit board of
7 directors, on the date established in subsection 1, shall assume responsibility for the
8 management and control of the public schools and programs within the school
9 administrative units in existence prior to July 1, 2009 that are within the regional school
10 unit. Those school administrative units in existence prior to July 1, 2009, on the date
11 established in subsection 1, have no further responsibility for the operation or control of
12 the public schools and programs within the school administrative unit except those
13 pursuant to section 1481.

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

24 **5. Transfer of teachers and employees.** Except as limited by paragraph A, for
25 regional school units approved prior to January 16, 2008, all teachers and school
26 employees who are employed by a participating school administrative unit on June 30,
27 2008 must be transferred to and employed by the regional school unit as of July 1, 2008.
28 Except as limited by paragraph A, for regional school units approved after January 15,
29 2008 and before November 5, 2008, all teachers and school employees who are employed
30 by participating school administrative units on June 30, 2009 must be transferred and
31 employed by the regional school unit as of July 1, 2009. Except as limited by paragraph
32 B, the regional school unit shall assume all of the legal obligations and duties that the
33 participating school administrative units owed to their employees, including but not
34 limited to those obligations and duties arising under federal law, state law, collective
35 bargaining agreements and individual employment contracts. It is the intent of this Part
36 to neither decrease nor increase the rights and benefits of transferred employees or the
37 employer. The regional school unit shall also maintain and honor any agreements,
38 contracts or policies regarding the rights and benefits of retirees and former employees
39 created by a participating school administrative unit that is dissolved as a result of its
40 inclusion within a regional school unit.

41 A. For regional school units approved prior to January 16, 2008, teachers or other
42 employees whose employment terminates by application of law or contract or by
43 action of a participating school administrative unit before July 1, 2008 may not be
44 transferred. For regional school units approved after January 15, 2008 and before
45 November 5, 2008, teachers or other employees whose employment terminates by

1 application of law or contract or by action of a participating school administrative
2 unit before July 1, 2009 may not be transferred.

3 B. Teachers and other employees who are transferred to the regional school unit
4 prior to the completion of the applicable probationary period for their position have
5 the length of their probationary period calculated from the date of their most recent
6 date of employment by the participating school administrative unit.

7 **6. Collective bargaining.** The following provisions apply:

8 A. On July 1, 2008 for regional school units approved prior to January 16, 2008 and
9 on July 1, 2009 for regional school units approved after January 15, 2008 and before
10 November 5, 2008, the regional school unit board of directors shall assume all of the
11 obligations, duties, liabilities and rights of the participating school administrative
12 units for all purposes under Title 26, chapter 9-A. The regional school unit is
13 considered a single employer. Notwithstanding any other provision of law, the
14 responsibilities of the regional school unit include:

15 (1) Continued recognition of all bargaining agents that represented any
16 bargaining units of employees who were employed by a participating school
17 administrative unit, pending completion of merger proceedings described in this
18 section;

19 (2) Assumption and continued observance of all collective bargaining
20 agreements between such bargaining agents and a participating school
21 administrative unit, which agreements continue in effect for the remainder of
22 their unexpired term unless the bargaining agent and regional school unit
23 mutually agree otherwise; and

24 (3) Collective bargaining for an initial or successor collective bargaining
25 agreement in any bargaining unit in which a collective bargaining agreement is
26 not in effect on the operational date and for any interim agreement that may be
27 required to align expiration dates in a regional school unit-wide bargaining unit,
28 as described in this subsection.

29 B. As early as possible but no later than August 31, 2011 for regional school units
30 approved prior to January 15, 2008 and no later than August 31, 2012 for regional
31 school units approved after January 15, 2008 and before November 2, 2008, all
32 bargaining units must be structured on a regional school unit-wide basis. Bargaining
33 units that existed in the participating school administrative units shall merge in
34 accordance with the procedures and criteria in this section. Merger into regional
35 school unit-wide bargaining units is not subject to approval or disapproval of
36 employees.

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

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

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

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

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

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

17 (5) When all bargaining units that will be merged into a regional school unit-
18 wide bargaining unit are represented by separate local affiliates of the same state
19 labor organization, the units must be merged as of the operational date. The
20 identity of the single affiliate that will be designated the bargaining agent for the
21 merged unit must be selected by the existing bargaining agents and the state labor
22 organization. Upon completion of the merger and designation of the bargaining
23 agent and notification by the state organization to the regional school unit, the
24 regional school unit shall recognize the designated bargaining agent as the
25 representative of employees in the merged unit. If necessary, the parties will then
26 execute a written amendment to any collective bargaining agreement then in
27 effect to change the name of the bargaining agent to reflect the merger.

28 (6) Where there are bargaining units that will be merged into a regional school
29 unit-wide bargaining unit in which there are employees who are not represented
30 by any bargaining agent and other employees who are represented either by the
31 same bargaining agent or separate local affiliates of the same state labor
32 organization, the units must be merged as of the operational date as long as a
33 majority of employees who compose the merged unit were represented by the
34 bargaining agent prior to the merger. The procedures for merger of separate local
35 affiliates of the same state labor organization described in subparagraph (5) must
36 be followed if applicable. If prior to the merger a bargaining agent did not
37 represent a majority of employees who compose the merged unit, a bargaining
38 agent election must be conducted by the Maine Labor Relations Board pursuant
39 to subparagraph (8).

40 (7) When there are unexpired collective bargaining agreements with different
41 expiration dates in the merged bargaining units described in subparagraphs (4),
42 (5) and (6), all contracts must be honored to their expiration dates unless
43 mutually agreed to otherwise by the public employer and the bargaining agent.
44 Collective bargaining agreements must be bargained on an interim basis in any

1 merged bargaining unit so that all collective bargaining agreements expire on the
2 same date.

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

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

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

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

18 (d) The obligation to bargain with existing bargaining agents continues from
19 the operational date until the determination of the bargaining agent of the
20 regional school unit-wide bargaining unit under this subsection; but in no
21 event may any collective bargaining agreement that is executed after the
22 operational date extend beyond the expiration date of the agreement having
23 the latest expiration date among the bargaining units that will be merged into
24 the regional school unit-wide bargaining unit that was in effect on the
25 operational date.

26 (e) The Maine Labor Relations Board shall expedite to the extent practicable
27 all petitions for determination of the bargaining agent in the regional school
28 unit-wide bargaining unit filed pursuant to this subsection.

29 (f) The bargaining units must be merged into a regional school unit-wide
30 bargaining unit as of the date of certification of the results of the election by
31 the Maine Labor Relations Board, or the expiration of the collective
32 bargaining agreements in the unit, whichever occurs later.

33 C. After the merger of bargaining units into a regional school unit-wide bargaining
34 unit, the bargaining agent of a regional school unit-wide bargaining unit and the
35 regional school unit shall engage in collective bargaining for a collective bargaining
36 agreement for the regional school unit-wide bargaining unit. In the collective
37 bargaining agreement for each regional school unit-wide bargaining unit, the
38 employment relations, policies, practices, salaries, wages, hours and working
39 conditions throughout the regional school unit must be made uniform and consistent
40 as soon as practicable.

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

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

5 **Sec. A-44. State board rules; construction rating process.** The State Board
6 of Education shall modify the rules establishing the rating process for school construction
7 to include factors relating to a unit's conformity with criteria for an efficient school unit.
8 A school unit that does not comply must receive less favorable consideration in approval
9 and funding of projects.

10 **Sec. A-45. Department to conduct review.** The Department of Education shall
11 conduct a review of unfunded state mandates pertaining to school systems. In conducting
12 its review, the department shall:

13 1. Prepare a comprehensive listing of the state mandates placed on school
14 administrative units;

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

19 3. Identify the statewide local government costs of each listed mandate within the
20 limits of practicability; and

21 4. Identify the characteristics of each listed mandate. Identified characteristics may
22 include, but are not limited to, the following:

23 A. Archaic or unnecessary features or features lacking significant public purpose;

24 B. Inadequate funding;

25 C. Disproportionate efforts for the public policy benefit;

26 D. Coordination between federal law and regulation and State law and rule;

27 E. Subjection to excessive administrative oversight; and

28 F. An insufficient structure to predict, measure or control local costs.

29 5. No later than December 15, 2008, the department shall submit a report that
30 includes its findings and recommendations, including suggested legislation, for
31 presentation to the joint standing committee of the Legislature having jurisdiction over
32 education matters. In its proposed implementing language, the department may include
33 proposals to repeal, modify, redesign, effectively coordinate or delay the implementation
34 of any of the listed mandates, as may be appropriate. Following receipt and review of the
35 report, the joint standing committee of the Legislature having jurisdiction over education
36 matters may report out a bill to the First Regular Session of the 124th Legislature.

37 **Sec. A-46. Report; validation referendum review.** The Department of
38 Education shall conduct a review of the results of the validation referendums conducted

1 for the approval of the 2008-2009, 2009-2010 and 2010-2011 school budgets. In
2 conducting its review, the department shall:

3 1. Collect and analyze the results of the referendums from school administrative
4 units;

5 2. Determine the number of school budgets that were approved by the voters with the
6 initial referendum;

7 3. Determine the number of school budgets that were not approved by the voters
8 with the initial referendum;

9 4. For those school budgets that were not approved by the voters with the initial
10 referendum, determine the number of referendums that were required to be held in order
11 to obtain voter approval and the number of school budgets that exceeded the maximum
12 state and local spending target;

13 5. Collect and analyze other information regarding the validation referendum process
14 as deemed pertinent by the department; and

15 6. Report its findings and recommendations, including suggested legislation, to the
16 joint standing committee of the Legislature having jurisdiction over education matters by
17 December 15, 2010. In its recommendations, the department shall include proposals to
18 extend, modify or repeal the current validation referendum process. Following receipt
19 and review of the report, the joint standing committee of the Legislature having
20 jurisdiction over education matters shall report out a bill to the First Regular Session of
21 the 125th Legislature that extends, modifies or repeals the current validation referendum
22 process.

23 **Sec. A-47. Reports; additional necessary implementing legislation.** No
24 later than January 31, 2008, the Commissioner of Education shall submit to the Joint
25 Standing Committee on Education and Cultural Affairs an initial report that contains
26 recommendations and any proposed legislation necessary to fully implement this Part
27 including legislation to convert school administrative districts and community school
28 districts to the regional school unit form of governance on July 1, 2009. Following
29 receipt and review of the initial report, the Joint Standing Committee on Education may
30 submit legislation to the Second Regular Session of the 123rd Legislature. No later than
31 January 31, 2009, the Commissioner of Education shall submit to the joint standing
32 committee of the Legislature having jurisdiction over education matters a final report that
33 contains recommendations and any proposed legislation necessary to fully implement this
34 Part including proposed legislation to repeal the laws governing school administrative
35 districts and community school districts. Following receipt and review of the final report,
36 the joint standing committee of the Legislature having jurisdiction over education matters
37 may submit legislation to the First Regular Session of the 124th Legislature.

INSERT AS CHAPTER 103-A,
SUBCHAPTER II

§1461. Formation of a regional school unit

The residents of 2 or more school administrative units may form a regional school unit that is a body politic and incorporate by completing the following steps.

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

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

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

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

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

A. Content. A reorganization plan must include:

1. The units of school administration to be included in the proposed reorganized regional school unit;
2. The size, composition and apportionment of the governing body;
3. The method of voting of the governing body;
4. The composition, powers and duties of any local school committees to be created;
5. The disposition of real and personal school property;
6. The disposition of existing school indebtedness and lease-purchase obligations if the parties elect not to use the provisions of section 1506 regarding the disposition of debt obligations;
7. The assignment of school personnel contracts, school collective bargaining agreements and other school contractual obligations;
8. The disposition of existing school funds and existing financial obligations, including undesignated fund balances, trust funds, reserve funds and other funds appropriated for school purposes;
9. A transition plan that addresses the development of a budget for the first school year of the reorganized unit and interim personnel policies;

10. Documentation of the public meeting or public meetings held to prepare or review the reorganization plan;
11. An explanation of how units that approve the reorganization plan will proceed if one or more of the proposed members of the regional school unit fail to approve the plan;
12. An estimate of the cost-savings to be achieved by the formation of a regional school unit and how these savings will be achieved; and.
13. Such other matters as the governing bodies of the school administrative units in existence on the effective date of this chapter may determine to be necessary.

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

1. The proposed regional school unit must serve not fewer than 2,500 students, except where circumstances relating to the following factors justify an exception:
 - (a.) Geography, including physical proximity and the size of the current school administrative unit;
 - (b.) Demographics, including student enrollment trends and the composition and nature of communities in the regional school unit;
 - (c.) Economics, including existing collaborations to be preserved or enhanced and opportunities to deliver commodities and services to be maximized;
 - (d.) Transportation;
 - (e.) Population density; or
 - (f.) Other unique circumstances including the need to preserve existing or developing relationships, meet the needs of students, maximize educational opportunities for students and ensure equitable access to rigorous programs for all students.

Where circumstances make a unit of 2,500 students impractical, the unit must serve as close to 2,500 students as possible and in no case, except for coastal islands and schools operated by tribal school committees, may it serve fewer than 1,200 students.

2. The plan must provide comprehensive programming for all students from prekindergarten to grade 12 and must include at least one publicly supported secondary school;
3. The plan must be consistent with the policies set forth in Title 20-A, section 1451; and
4. The plan may not displace teachers or students or close any schools existing and operating during the school year immediately preceding reorganization, except as permitted under section 1512

4. Review and approval of plans. If the Commissioner of Education finds that a plan for reorganization meets the requirements of this chapter, the commissioner shall notify the municipalities and school administrative units and they shall proceed with referendum.

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

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

Yes/No"

The following statement must accompany the article:

"Explanation:

A "YES" vote means that you approve of the (municipality or SAU) joining the proposed regional school unit. The financial penalties under 20-A MRSA Section 15696 to the existing school administrative units will no longer apply to the proposed regional school unit."

6. Results of referendum. Each school administrative unit shall report the results of the referendum to the Department of Education following the referendum election.

A. A reorganization plan is approved by a kindergarten through grade twelve school administrative district or kindergarten through grade twelve community school district if the majority of votes cast in the district are in favor of approval of the plan.

B. A reorganization plan is approved by the member municipalities of a non-kindergarten through grade twelve community school district if the majority of votes cast in the member municipalities are in favor of approval of the plan. Approval results in all member municipalities joining the regional school unit for all purposes for kindergarten through grade twelve.

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

D. If a reorganization plan is approved by all of the affected school administrative units, or by the school administrative units considered sufficient under the proposed units' reorganization plan, the Commissioner of Education shall file notice of approval of the unit with the State Board of Education.

7. Certificate of organization. If a plan or revised plan for reorganization has been approved by the Commissioner of Education and approved by voters at the referendum, the State Board of Education shall issue a certificate of organization to the school administrative units that are reorganized into regional school.

8. Transfer of property and assets. The transfer of school property and assets shall be as follows.

A. 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 municipal school units in existence prior to operational date of the new regional school unit and of the school administrative units in existence prior to operational date of the new regional school unit 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.

B. 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.

C. Financing assumed debts. A regional school unit shall assume the outstanding indebtedness of a school administrative unit in existence prior to operational date of the new regional school unit for school construction projects approved for subsidy under Title 20-A, chapter 609 and pursuant to section 1506. If a regional school unit board of directors has assumed the outstanding indebtedness of a school administrative unit in existence prior to operational date of the new regional school unit, 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 operational date of the new regional school unit 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 operational date of the new regional school unit in its regional school unit for non-state funded projects pursuant to Title 20-A, section 15905-A and pursuant to section 1481.

9. Operational date and transfer of authority.

A. Operational date. A regional school unit board of directors becomes operational on the date set by the State Board of Education as provided in this chapter.

B. Transfer of governing authority. The regional school unit board of directors, on the date established in paragraph A, shall assume responsibility for the management and control of the public schools and programs within the school administrative units in existence prior to operational date of the new regional school unit that are within the regional school unit. Those school administrative units in existence prior operational date of the new regional school unit, 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 section 1481.

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

D. Transfer of teachers and employees. Except as limited by subparagraph 1, all teachers and school employees who are employed by a participating school administrative unit on day prior to the date in section 9 paragraph A must be transferred to and employed by the regional school unit as of the date in section 9 paragraph A. Except as limited by paragraph B, the regional school unit shall assume all of the legal obligations and duties that the participating school administrative units owed to their employees, including but not limited to those obligations and duties arising under federal law, state law, collective bargaining agreements and individual employment contracts. It is the intent of this chapter to neither decrease nor increase the rights and benefits of transferred employees or the employer. The regional school unit shall also maintain and honor any agreements, contracts or policies regarding the rights and benefits of retirees and former employees created by a participating school administrative unit that is dissolved as a result of its inclusion within a regional school unit.

1. Teachers or other employees whose employment terminates by application of law or contract or by action of a participating school administrative unit before to the date in section 9 paragraph A may not be transferred.

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

E. Collective bargaining. The following provisions apply:

1. On to the date in section 9 paragraph A, the regional school unit board of directors shall assume all of the obligations, duties, liabilities and rights of the participating school administrative units for all purposes under Title 26, chapter 9-A. The regional school unit is considered a single employer. Notwithstanding any other provision of law, the responsibilities of the regional school unit include:

(a.) Continued recognition of all bargaining agents that represented any bargaining units of employees who were employed by a participating school administrative unit, pending completion of merger proceedings described in this section;

(b.) Assumption and continued observance of all collective bargaining agreements between such bargaining agents and a participating school administrative unit, which agreements continue in effect for the remainder of their unexpired term unless the bargaining agent and regional school unit mutually agree otherwise; and

(c.) Collective bargaining for an initial or successor collective bargaining agreement in any bargaining unit in which a collective bargaining agreement is not in effect on the operational date and for any interim agreement that may be required to align expiration dates in a regional school unit-wide bargaining unit, as described in this subsection.

2. As early as possible after reorganization, all bargaining units must be structured on a regional school unit-wide basis. Bargaining units that existed in the participating school administrative units shall merge in accordance with the procedures and criteria in this section. Merger into regional school unit-wide bargaining units is not subject to approval or disapproval of employees.

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

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

(c.) Any additional bargaining units in a regional school unit must be structured as follows:

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

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

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

(e.) When all bargaining units that will be merged into a regional school unit-wide bargaining unit are represented by separate local affiliates of the same state labor organization, the units must be merged as of the operational date. The identity of the single affiliate that will be designated the bargaining agent for the merged unit must

be selected by the existing bargaining agents and the state labor organization. Upon completion of the merger and designation of the bargaining agent and notification by the state organization to the regional school unit, the regional school unit shall recognize the designated bargaining agent as the representative of employees in the merged unit. If necessary, the parties will then execute a written amendment to any collective bargaining agreement then in effect to change the name of the bargaining agent to reflect the merger.

(f.) Where there are bargaining units that will be merged into a regional school unit-wide bargaining unit in which there are employees who are not represented by any bargaining agent and other employees who are represented either by the same bargaining agent or separate local affiliates of the same state labor organization, the units must be merged as of the operational date as long as a majority of employees who compose the merged unit were represented by the bargaining agent prior to the merger. The procedures for merger of separate local affiliates of the same state labor organization described in subparagraph (e.) must be followed if applicable. If prior to the merger a bargaining agent did not represent a majority of employees who compose the merged unit, a bargaining agent election must be conducted by the Maine Labor Relations Board pursuant to subparagraph (i.).

(h.) When there are unexpired collective bargaining agreements with different expiration dates in the merged bargaining units described in subparagraphs (d.), (e.) and (f.), all contracts must be honored to their expiration dates unless mutually agreed to otherwise by the public employer and the bargaining agent. Collective bargaining agreements must be bargained on an interim basis in any merged bargaining unit so that all collective bargaining agreements expire on the same date.

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

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

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

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

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

(v.) The Maine Labor Relations Board shall expedite to the extent practicable all petitions for determination of the bargaining agent in the regional school unit-wide bargaining unit filed pursuant to this subsection.

(vi.) The bargaining units must be merged into a regional school unit-wide bargaining unit as of the date of certification of the results of the election by the Maine Labor Relations Board, or the expiration of the collective bargaining agreements in the unit, whichever occurs later.

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

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

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

§ 1462. Addition of a school administrative unit to an existing regional school unit.

A school administrative unit not originally a member of the regional school unit may be included as follows.

1. Notice of intent. A school administrative unit shall file with the Commissioner of Education:

A. A notice of intent to engage in planning and negotiations to join with a regional school unit under this chapter. The Commissioner of Education shall respond to each notice of intent indicating providing information regarding the process and whether the intended action complies with the requirements of this chapter.

2. Process to join a regional school unit. A school administrative unit may join an existing regional school unit in the same manner required for the formation of a regional school unit under section XXXX except for subsections 5, 6 and 7.

3. Referendum for a school administrative unit to join an existing regional school unit. The municipal officers of each municipality in a proposed reorganized school administrative unit shall place a warrant article substantially as follows on the ballot of a municipal referendum in accordance with the referendum procedures applicable to the school administrative unit of which the municipality is a member.

"Article: Do you favor approving the school reorganization plan prepared by the (insert name) Reorganization Planning committee for school administrative unit (insert names of affected school administrative units) to join the regional school unit (name of regional school unit), with an effective date of _____ ?

Yes/No"

The following statement must accompany the article:

"Explanation:

A "YES" vote means that you approve of the (municipality or SAU) joining the proposed regional school unit. The financial penalties under 20-A MRSA Section 15696 to the existing school administrative units will no longer apply to the proposed regional school unit."

4. Referendum on to admit an additional school administrative unit to an existing regional school unit. If the vote to join a regional school under section 3 was in the affirmative, the existing regional school unit shall call a regional school unit referendum to vote on the following article.

"Article: Do you favor approving the school reorganization plan prepared by the (insert name) Reorganization Planning committee for school administrative unit (insert names of affected school administrative units) to join the regional school unit (name of regional school unit), with an effective date of _____ ?

Yes/No"

The following statement must accompany the article:

"Explanation:

A "YES" vote means that you approve of the (municipality or SAU) joining the proposed regional school unit. The financial penalties under 20-A MRSA Section 15696 to the existing school administrative units will no longer apply to the proposed regional school unit."

5. Results of referendum. Each school administrative unit shall report the results of the referendum to the Department of Education following the referendum election.

A. Results of referendum under section 3.

(1.) A reorganization plan is approved by a kindergarten through grade twelve school administrative district or kindergarten through grade twelve community school district if the majority of votes cast in the district are in favor of approval of the plan.

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

(3.) A reorganization plan is approved by the member municipalities of a non-kindergarten through grade twelve community school district if the majority of votes cast in the member municipalities are in favor of approval of the plan. Approval results in all member municipalities joining the regional school unit for all purposes for kindergarten through grade twelve.

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

B. Results of referendum under section 4.

(1.) A reorganization plan is approved by regional school unit if the majority of votes cast in the regional school unit are in favor of approval of the plan.

C. Notice of results of referendum.

(1.) If a reorganization plan is approved by the affected school administrative units, the Commissioner of Education shall file notice of approval of the unit with the State Board of Education.

6. Amended certificate of organization. If a plan for reorganization has been approved by the Commissioner of Education and approved by voters at the referendum under sections 3 and 4, the Commissioner of Education shall issue an amended certificate of organization to the reorganized into regional school unit.

**SUMMARY OF KEY POINTS OF
PROPOSED ADMINISTRATIVE CONSOLIDATION LEGISLATION**

State Policy for Effective and Efficient School Units

The law sets forth **state policy** to ensure that schools be organized as units in order to provide equitable **educational opportunities**, **rigorous academic programs**, **uniformity** in delivering programs, a greater uniformity in **tax rates**, more **efficient** and effective use of limited resources, preservation of **school choice** and maximum opportunity to deliver services in an efficient manner.

All school units, of whatever form and whatever size, -- SADs, CSDs and municipal school units -- small and large -- must:

- (1) Work with other units to reorganize into larger, more efficient units; or
- (2) Where expansion of the unit would be impractical or inconsistent with state policy, reorganize their own administrative structures to reduce costs.

Process

To **begin the process** of forming new units, the Commissioner will convene meetings in the 26 Career and Technical Education regions to provide information, assistance and suggested alignments of school units. The Commissioner can suggest alignment of units, but local units aren't required to follow those suggestions and will ultimately pick their own partners.

Department of Education will provide **facilitators** to help local planning efforts, funding for the January 2008 election and funds to help units with the **costs of transition** to a regional unit.

School Unit Size and Number

Existing school units should aim to form regional school units of **at least 2,500** resident students, except where geography, demographics, population density, transportation challenges and other obstacles make 2,500 impractical. Where 2,500 is impractical, the units must aim to create units of **at least 1,200 students**. Offshore islands and tribal schools are not subject to a minimum size requirement.

Legislative intent of the law is to create a maximum of **80 school units**.

Reorganization and Cost Reduction Plans

All plans -- whether they propose consolidation or not -- must show how the unit will, for FY2009 (starting July 1, 2008):

- (1) **Reduce system administration costs** to state-determined EPS levels; and
- (2) **Reduce transportation, special education and facilities and maintenance expenditures** by 5%.

All reorganization plans are **subject to voter approval**. The Department of Education will fund an election in **January of 2008**. The referendum will clearly state the **penalties** that will apply if voters disapprove of the reorganization plan.

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Financial Impact; Penalties

General Purpose Aid for Education will be reduced by **\$36.5 million** in FY2009. All units will have a reduced allocation for system administration, transportation, special education and facilities and maintenance.

Units that vote against reorganization will face additional financial impact in the form of penalties, starting on July 1, 2009. **Penalties** for units that don't form appropriate regional units by the beginning of FY 2010 include:

1. Loss of minimum subsidy (including the 5% minimum and the special education minimum);
2. Loss of all funds for system administration;
3. A 5% increase in the mill rate required to be raised by that unit;
4. Less favorable consideration in approval and funding for school construction; and
5. Loss of eligibility for isolated school adjustments and transition adjustments.

A unit that votes against reorganization in one referendum can develop another reorganization plan and hold another referendum. The unit can **avoid penalties** if it approves reorganization by referendum not later than the November 2008 election and is operational within a regional unit by July 1, 2009.

Schools and School Choice

Reorganization plans **won't close schools** or displace teachers and students. Local schools can't be closed unless the regional board votes by a **2/3rds vote** AND the municipality where the school is located votes to approve the closure. If the municipality votes not to close the school that the regional board votes to close, the municipality is responsible for only the added cost of keeping the school open, not the entire cost. (same as current SAD law)

Every regional school unit must have a **publicly-supported high school**. Students who have school choice right now will continue to have **school choice** after reorganization, even if they join a regional unit that has its own high school.

Teachers and Other School Employees

Teachers and other school employees will be transferred to the new unit, and will retain their rights under collective bargaining contracts. Contracts will continue until their planned expiration dates and there will be an orderly process for continuing collective bargaining.

School Governance; Budget Transparency

Regional school units will be governed by a regional school board; representation on the Board is determined by the local communities as part of the reorganization planning process. Regional boards may create **local school committees** with locally determined powers and duties.

All school units will provide **budget transparency** by using a uniform budget format and a budget validation referendum.

Other Provisions

Regional collaboration is facilitated by statutory authorization.

The Department of Education will review and critique all **unfunded state mandates** pertaining to school systems and report to the Legislature's Education Committee by December 15, 2008.