

PART XXXX

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

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

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

23-B. Publicly supported secondary school. “Publicly supported secondary school” means:

A. A public secondary school; or

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

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

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

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

24-C. Regional school unit board. “Regional school unit board” means the board of directors that is the governing body with statutory powers and duties of a regional school unit.

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

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

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 XXXX-6. 20-A MRSA §1201, as enacted by PL 1981, c. 693, §§5 and 8, is repealed.

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 XXXX-7. 20-A MRSA §1202, as amended by PL 1993, c. 608, §1, is repealed.

Sec. XXXX-8. 20-A MRSA §1203, as enacted by PL 1981, c. 693, §§5 and 8, is repealed.

Sec. XXXX-9. 20-A MRSA §1204, as enacted by PL 1981, c. 693, §§5 and 8, is repealed.

Sec. XXXX-10. 20-A MRSA §1205, as amended by PL 2001, c. 588, §18, is repealed.

Sec. XXXX-11. 20-A MRSA §1305-C is enacted to read:

§ 1305-C. Mandatory budget validation and cost center summary budget form

Notwithstanding any other law, school administrative district budgets developed after January 1, 2008 must conform to the format and referendum procedures set forth in sections 1305-A and 1305-B.

Sec. XXXX-12. 20-A MRSA c. 103, sub-c. 6, as amended, is repealed.

Sec. XXXX-13. 20-A MRSA c. 103-A is enacted to read:

CHAPTER 103-A
REGIONAL SCHOOL UNITS
SUBCHAPTER 1
General provisions

§ 1451. Regional school units

It is declared the policy of the State to provide sufficient resources to support the reorganization of school administrative units into regional, state-approved units of school administration to provide:

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

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

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

4. Tax rates . A greater uniformity of tax rates for the support of schools;

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

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

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

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

continuous improvement in student achievement;

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

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

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

§ 1452. Application of general law

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

§ 1453. Status of regional school unit

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

§ 1454. Rules

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

SUBCHAPTER 2 **FORMATION OF REGIONAL SCHOOL UNIT**

§ 1461. Formation of a regional school unit; reorganization planning and approval

The residents of 2 or more school administrative units may form a regional school unit that is a body politic and corporate pursuant to this section.

1. Notice of intent. Each school administrative unit shall file with the commissioner 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 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 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 its proposed reorganization plan for consolidation into a regional school unit that meets the requirements of paragraphs A and B.

A. 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. 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.

When circumstances justify an exception to the size requirement of 2,500 students, 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 kindergarten 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 section 1451.

(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 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 (insert date)?

Yes No”

The following statement must accompany the article:

”Explanation:

A “YES” vote means that you approve of the (municipality or school administrative unit) joining the proposed regional school unit. The financial penalties under the Maine Revised Statutes, Title 20-A, 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 following the referendum election.

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

B. A reorganization plan is approved by the member municipalities of a community school district that does not provide public education for the entire span of kindergarten to grade 12 if the majority of votes cast in the member municipalities is in favor of approval of the plan. Approval results in all member municipalities joining the regional school unit for all purposes for kindergarten to grade 12.

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 is 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 shall file notice of approval of the unit with the state board.

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

§ 1462. Transfer of property and assets

Upon the formation of a regional school unit pursuant to this subchapter, the transfer of school property and assets is governed by this section.

1. Board of directors. The directors of the board of each regional school unit established in this chapter shall determine what school property of the municipal school units in existence prior to the operational date of the new regional school unit and of the school administrative units in existence prior to the 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.

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

3. Financing assumed debts. A regional school unit shall assume the outstanding indebtedness of a school administrative unit in existence prior to the operational date of the new regional school unit for school construction projects approved for subsidy under 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 the 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 the 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 the operational date of the new regional school unit in its regional school unit for nonstate-funded projects pursuant to section 15905-A and pursuant to section 1481.

§ 1463. Operational date and transfer of authority

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

2. Transfer of governing authority. The regional school unit board of directors, on the date established pursuant to subsection 1, shall assume responsibility for the management and control of the public schools and programs within the school administrative units in existence prior to the operational date of the new regional school unit that are within the regional school unit. Those school administrative units in existence prior to the 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.

3. Transfer of school accounts. Notwithstanding 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 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.

4. Transfer of teachers and employees. Except as limited by paragraph A, all teachers and school employees who are employed by a participating school administrative unit on the day prior to the date established pursuant to subsection 1 must be transferred to and employed by the regional

school unit as of the date established pursuant to subsection 1. Except as limited by subsection 2, 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.

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

B. 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.

5. Superintendent contracts. The contracts between the superintendents and school administrative units within the regional school unit are transferred on the date established pursuant to subsection 1 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.

§ 1464. Collective bargaining

1. Assumption of obligations, duties, liabilities and rights. On the operational date established pursuant to section 1463, subsection 1, 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 terms 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 section.

2. Structure of bargaining units. 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 section and no later than the latest expiration date of any collective bargaining agreement that was in effect on the operational date established pursuant to section 1463, subsection 1 that covered any employees in the merged unit.

B. There must be one unit of teachers and, to the extent they are on the effective date of this section 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:

(1) 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; and

(2) 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 established pursuant to section 1463, subsection 1, 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 established pursuant to section 1463, subsection 1. 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 labor 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. When 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

pursuant to section 1463, subsection 1 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 paragraph 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 paragraph H.

G. When there are unexpired collective bargaining agreements with different expiration dates in the merged bargaining units described in paragraphs 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.

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

(1) 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.

(2) 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.

(3) 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.

(4) The obligation to bargain with existing bargaining agents continues from the operational date established pursuant to section 1463, subsection 1 until the determination of the bargaining agent of the regional school unit-wide bargaining unit under this section; 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.

(5) 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 section.

(6) 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. Agent to engage in collective bargaining. 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, salary schedules, hours and working conditions throughout the regional school unit must be made uniform and consistent as soon as practicable.

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

§ 1465. Addition of a school administrative unit to an existing regional school unit

A school administrative unit not originally a member of a regional school unit may be included in the regional school unit in accordance with this section.

1. Notice of intent. A school administrative unit shall file with the commissioner a notice of intent to engage in planning and negotiations to join with a regional school unit under this chapter. The commissioner shall respond to each notice of intent and provide 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 1461, except that section 1461, subsections 5, 6 and 7 do not apply.

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 name of affected school administrative unit) to join the regional school unit (name of regional school unit), with an effective date of (insert date)?

Yes No”

The following statement must accompany the article:

”Explanation:

A “YES” vote means that you approve of the (municipality or school administrative unit) joining the proposed regional school unit. The financial penalties under the Maine Revised Statutes, Title 20-A, section 15696 to the existing school administrative unit will no longer apply to the proposed regional school unit.”

4. Referendum on the admission of an additional school administrative unit to an existing regional school unit. If the vote to join a regional school unit under subsection 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 name of affected school administrative unit) to join the regional school unit (name of regional school unit), with an effective date of (insert date)?

Yes No”

The following statement must accompany the article:

”Explanation:

A “YES” vote means that you approve of the (municipality or school administrative unit) joining the proposed regional school unit. The financial penalties under the Maine Revised Statutes, Title 20-A, section 15696 to the existing school administrative unit will no longer apply to the proposed regional school unit.”

5. Results of referendum. A school administrative unit shall report the results of the referendum to the department following the referendum election.

A. For a referendum conducted pursuant to subsection 3:

(1) A reorganization plan is approved by a kindergarten to grade 12 school administrative district or kindergarten to grade 12 community school district if the majority of votes cast in the district is 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 is in favor of approval of the plan;

(3) A reorganization plan is approved by the member municipalities of a community school district that does not provide public education for the entire span of kindergarten to grade 12 if the majority of votes cast in the member municipalities is in favor of approval of the plan. Approval results in all member municipalities joining the regional school unit for all purposes for kindergarten to grade 12; and

(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 is in favor of approval of the plan.

B. For a referendum conducted pursuant to subsection 4, a reorganization plan is approved by a regional school unit if the majority of votes cast in the regional school unit is in favor of approval of the plan.

If a reorganization plan is approved by the affected school administrative unit, the commissioner shall file notice of approval of the unit with the state board.

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

SUBCHAPTER 3
school governance; program

§ 1471. Regional school unit board

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

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

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

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

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

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

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

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

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

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

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

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

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

§ 1472. Methods of apportionment

1. Method A: subdistrict representation. Under the method of representation referred to as “Method A,” directors represent subdistricts.

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

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

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

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

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

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

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

3. Method C: at-large voting . Under the method of representation referred to as “Method

C,” directors are elected at large by all of the voters in the regional school unit.

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

§ 1473. Election

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

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

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

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

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

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

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

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

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

(6) The terms of the directors elected under the original municipal representation system

cease on the date that the newly elected directors are sworn into office; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

§ 1474. Vacancies

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

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

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

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

D. When a regional school unit board director resigns.

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

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

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

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

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

§ 1475. Reapportionment

The commissioner shall determine the necessity for reapportionment.

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

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

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

In addition to a determination initiated by a request pursuant to paragraph A or a petition pursuant to

paragraph B, the commissioner may, of the commissioner's own accord, determine that a regional school unit is not apportioned according to the one-person, one-vote principle.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

§ 1476. Powers and duties

The regional school unit board:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

§ 1477. Quorum

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

§ 1478. Local school committees

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

§ 1479. Program

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

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

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

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

A. If the option of attending a public school in another school administrative unit or a private school approved for tuition purposes subject to chapter 219 was available to students in the previous education unit, that option continues to be available to students who reside in the municipalities that composed the previous education unit after the municipality's inclusion in the regional school unit.

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

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

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

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

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

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

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

SUBCHAPTER 4 **financing**

§ 1481. Finances

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

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

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

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

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

Notwithstanding any provisions of law to the contrary, a municipality within a regional school unit may raise money and direct the spending of the funds, to a school serving children from kindergarten to no higher than grade 8.

§ 1482. Budget preparation

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

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

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

§ 1483. Regional school unit budget; budget formats

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

- A. The regional school unit's total cost of funding public education from kindergarten to grade 12, its non-state-funded debt service, if any, and any additional expenditures authorized by law;
- B. A summary of anticipated revenues and estimated school expenditures for the fiscal year; and
- C. The following statement, including the estimated dollar amount of state retirement payments:

“This budget does not include the estimated amount of \$..... in employer share of teacher retirement costs that is paid directly by the State.”

§ 1484. Checklist required

Beginning with the budget for the 2008-2009 school year, prior to a vote on articles dealing with regional school unit appropriations, the moderator of a regular or special regional school unit budget meeting shall require the clerk or secretary of the regional school unit board to make a checklist of the registered voters present. The number of voters listed on the checklist is conclusive evidence of the number present at the meeting.

§ 1485. Cost center summary budget format

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

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

A. Expenditures:

- (1) Regular instruction;
- (2) Special education;
- (3) Career and technical education;
- (4) Other instruction, including summer school and extracurricular instruction;
- (5) Student and staff support;
- (6) System administration;
- (7) School administration;
- (8) Transportation and buses;
- (9) Facilities maintenance;
- (10) Debt service and other commitments; and
- (11) All other expenditures, including school lunch;

B. Revenue sources:

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

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

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

C. A summary of total regional school unit expenditures;

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

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

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

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

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

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

§ 1486. Budget validation referendum

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

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

Every 3 years, the voters in a regional school unit shall consider continued use of the budget validation referendum process. The warrant at the budget validation referendum in the 3rd year following

adoption or continuation of the referendum process must include an article by which the voters of the school administrative district may indicate whether they wish to continue the process for another 3 years. A vote to continue retains the process for 3 additional years. A vote to discontinue the process ends its use beginning with the following budget year and prohibits its reconsideration for at least 3 years.

2. Validation referendum procedures. The budget validation referendum must be held on or before the 10th day, other than Saturday, Sunday or a legal holiday, following the scheduled date of the regional school unit budget meeting. The vote at referendum is for the purpose of approving or rejecting the total regional school unit budget approved at the regional school unit budget meeting. The regional school unit board shall provide printed information to be displayed at polling places to assist voters in voting. That information is limited to the total amounts proposed by the regional school unit board for each cost center summary budget category article, the amount approved at the regional school unit budget meeting, a summary of the total authorized expenditures and, if applicable because of action on an article under section 15690, subsection 3, paragraph A, a statement that the amount approved at the regional school unit budget meeting includes locally raised funds over and above the regional school unit's local contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act.

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

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

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

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

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

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

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

(1) "Do you favor approving the (name of regional school unit) budget for the upcoming school year that was adopted at the latest regional school unit budget meeting?
Yes No"

G. If the school budget exceeds the maximum state and local spending target pursuant to section 15671-A, subsection 5, the article to be voted on for a budget that includes locally raised funds

over and above the regional school unit's local contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act must be in the following form:

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

Yes No

A YES vote allows additional funds to be raised for K-12 public education.

A NO vote means additional funds cannot be raised for K-12 public education ."

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

§ 1487. Failure to pass budget

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

§ 1488. Special budget meeting

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

§ 1489. Regional school unit assessments

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

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

municipality's share of the regional school unit's costs.

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

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

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

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

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

§ 1490. Power to borrow money

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

exercised, the procedure for payment in the event of call and the legal effect of making the call.

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

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

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

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

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

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

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

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

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

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

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

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

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

§ 1491. Reserve fund

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

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

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

§ 1492. Bid procedure

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

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

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

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

§ 1493. Void contracts

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

SUBCHAPTER 5 **referendum**

§ 1501. Regional school unit referendum

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

- A. To approve the issuance of bonds or notes for school construction projects;
- B. To approve a change in the selection of a school building site;
- C. To authorize the regional school unit board to contract for the schooling of secondary pupils;
- D. To accept or reject a prospective gift; and
- E. To borrow funds for minor capital costs as defined in section 15672, subsection 20-A.

§ 1502. Method of calling a regional school unit referendum

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

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

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

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

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

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

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

(1) “Do you favor authorizing the board of directors of (name of regional school unit) to issue bonds or notes in the name of this regional school unit for school construction purposes in an amount not to exceed \$..... to construct a (elementary or secondary school) to be located at..... (specifically defined lot where school is to be erected)?
Yes No”

(2) “Do you favor authorizing the board of directors of (name of regional school unit) to issue bonds or notes in the name of this regional school unit for school construction or minor capital projects in an amount not to exceed \$..... for the purpose of (purpose of school construction project)?
Yes No”

(3) “Do you favor authorizing the board of directors of (name of regional school unit) to use the bond issue or notes in an amount not to exceed \$....., which was voted by the regional school unit on (date), to construct a (elementary or secondary school) to be located at (specifically defined lot where school is to be located)?
Yes No”

(4) “Do you favor authorizing the board of directors of (name of regional school unit) to construct a (elementary or secondary school) to be located at (specifically defined lot where school is to be located) with the total project cost not to exceed \$..... and to issue bonds or notes in the name of this regional school unit for school construction purposes in an amount not to exceed \$..... with the balance of the total project costs to be derived from (description of other sources of funds such as initial state share when approved for current fiscal year funding, proceeds from insured losses, money from federal sources, other noneducational funds, etc.)
Yes No”

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

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

(1) “Do you favor authorizing the board of directors of (name of regional school unit) to contract in the name of this regional school unit with (name of regional school unit or private school) for the schooling of secondary pupils for a term of years?
Yes No”

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

(1) “Do you favor authorizing the board of directors of (name of regional school unit) to accept a prospective gift under the following conditions?(terms and conditions).
Yes No”

§ 1503. Referendum procedures

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

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

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

Secretary of State must be performed by the regional school unit board and, if the statewide election is a primary election, any registered voter may vote in the referendum. The absentee voting procedure of Title 21-A must be used, except that the duties of the Secretary of State must be performed by the regional school unit board.

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

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

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

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

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

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

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

§ 1504. Reconsideration

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

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

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

3. Bond. If the margin of the vote being reconsidered was between 10% and 25%, the petitioners shall post a bond with the petition equal to the actual and reasonable costs of the new

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

§ 1505. Bonds; notes; other

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

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

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

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

§ 1506. Debt liability

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

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

B. "Original education unit" means:

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

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

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

2. Liability remains with original unit. Existing debt held by an original education unit remains the obligation of that original education unit after reorganization pursuant to this chapter. An original education unit may not be finally dissolved while any existing debt held by the original

education unit remains outstanding. All aspects of an original education unit's administrative or political organization may be merged into a new unit or otherwise modified to accomplish the purposes of this chapter but its existing debt and its right to secure payment of such debt from income streams that existed at the time of the issuance of such debt may not be affected or altered except as authorized by this section.

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

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

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

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

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

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

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

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

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

- C. As applicable, allocate to each member of the original education unit the member's share of the annual debt service for the existing debt of the original education unit in addition to each member's share of costs of the new unit;
- D. Collect the allocation for debt service on the existing debt from the original education unit or, as applicable, from each member of the original education unit in addition to each member's share of costs of the new unit;
- E. Pay the debt service on the existing debt of the original education unit when due; and
- F. Take all other actions necessary and proper with respect to the existing debt.

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

5. Bonds to complete school construction and renovation. If the legislative body of an original education unit has authorized the issuance of bonds for a school construction project or a minor capital project, but that original education unit has not yet issued all of the authorized permanent bonds for that project, the board of the new unit that includes all the members of the original education unit shall issue bonds or notes necessary to finance the completion of that project and to refund temporary notes that the original education unit issued in anticipation of permanent bonds for that project. No further action by the legislative body of the new unit is required. The bonds at any time outstanding for the project may not exceed the amount authorized by the legislative body of the original education unit except to the extent necessary to refund temporary notes on a current basis. Bonds or notes issued by the regional school unit board to complete projects of an original education unit and to refund temporary project notes of an original education unit must be issued in the name of the original education unit and otherwise must be in the form and be subject to the procedural requirements provided by section 1490 except as provided by this subsection. Upon issuing debt in accordance with this subsection, the regional school unit board shall serve as agent of the original education unit for purposes of that debt and has the same authority as is provided in subsection 4 for existing debt.

SUBCHAPTER 6 **schools**

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

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

§ 1512. Closing school

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

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

Yes No

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

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

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

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

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

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

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

5. Method of payment by liable municipality. If a municipality is liable for additional expenses as determined in subsection 3, paragraph A, then the amount of this additional expense must be subtracted from the regional school unit budget before each member municipality’s assessment is

computed. This additional expense must be paid by the member municipality that is liable in equal monthly amounts, unless the regional school unit and that member municipality mutually agree to another method of payment.

6. Multiple municipalities. If a school proposed for closure is an elementary school that serves students from more than one municipality, the article set forth in subsection 1 must be submitted to the voters in each of the municipalities that sent all elementary students from that municipality to the school. If the article is approved by a majority of the voters in each of the municipalities, the school is not closed and the municipalities share in the costs under this section in the same proportion as they share the current operating costs of the school.

Sec. XXXX-14. 20-A MRSA §1602, as enacted by PL 1981, c. 693, §§5 and 8, is repealed.

Sec. XXXX-15. 20-A MRSA §1604, as enacted by PL 1981, c. 693, §§5 and 8, is repealed.

Sec. XXXX-16. 20-A MRSA §1701-C is enacted to read:

§ 1701-C. Mandatory budget validation and cost center summary budget form

Notwithstanding any other law, community school district budgets developed after January 1, 2008 must conform to the format and referendum procedures set forth in sections 1701-A and 1701-B.

Sec. XXXX-17. 20-A MRSA §1751, as amended by PL 1999, c. 206, §2, is repealed.

Sec. XXXX-18. 20-A MRSA §1901, as enacted by PL 1981, c. 693, §§5 and 8, is repealed.

Sec. XXXX-19. 20-A MRSA §2101, sub-§1, as enacted by PL 1981, c. 693, §§5 and 8, is repealed.

Sec. XXXX-20. 20-A MRSA §2101, sub-§2, as enacted by PL 1981, c. 693, §§5 and 8, is repealed.

Sec. XXXX-21. 20-A MRSA §2307 is enacted to read:

§ 2307. School budgets

Notwithstanding any other law, municipal school budgets developed after January 1, 2008 must follow the same school budget requirements as regional school units pursuant to chapter 103-A.

Sec. XXXX-22. 20-A MRSA c. 114 is enacted to read:

CHAPTER 114
regional collaboration

§ 2601. Definitions

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.

1. Administrative, instructional and noninstructional functions.

“Administrative, instructional and noninstructional functions” includes, but is not limited to, system administration, school administration, special education, transportation and buses and facilities maintenance.

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

- A. Shared purchasing or contract agreements;
- B. Agreements for shared staff or staff training;
- C. Agreements to share technology or technology support;
- D. Agreements to provide special education programs and support services;
- E. Agreements to share accounting, payroll and financial management services;
- F. Agreements to coordinate transportation routing and vehicle maintenance;
- G. Agreements to share food service planning and purchasing; and
- H. Agreements to coordinate energy and facilities management.

§ 2602. Development of collaborative agreements

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

§ 2603. Collaborative agreements between previous education units

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

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

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

Sec. XXXX-24. 20-A MRS §15671-A, sub-§2, ¶B, as amended by PL 2005, c. 2, Pt. D, §35 and affected by §§72 and 74 and c. 12, Pt. WW, §18, is further amended to read:

- B. For property tax years beginning on or after April 1, 2005, the commissioner shall calculate the full-value education mill rate that is required to raise the statewide total local share. The full-value education mill rate is calculated for each fiscal year by dividing the applicable statewide total local share by the applicable statewide valuation. The full-value education mill rate must decline over

the period from fiscal year 2005-06 to fiscal year 2008-09 and may not exceed 9.0 mills in fiscal year 2005-06 and may not exceed 8.0 mills in fiscal year 2008-09. The full-value education mill rate must be applied according to section 15688, subsection 3-A, paragraph A to determine a municipality's local cost share expectation. Full-value education mill rates must be derived according to the following schedule.

(1) For the 2005 property tax year, the full-value education mill rate is the amount necessary to result in a 47.4% statewide total local share in fiscal year 2005-06.

(2) For the 2006 property tax year, the full-value education mill rate is the amount necessary to result in a 46.14% statewide total local share in fiscal year 2006-07.

(3) For the 2007 property tax year, the full-value education mill rate is the amount necessary to result in a 45.56% statewide total local share in fiscal year 2007-08.

(4) ~~For~~ Except as provided in subparagraph (6), for the 2008 property tax year and subsequent tax years, the full-value education mill rate is the amount necessary to result in a 45.0% statewide total local share in fiscal year 2008-09 and after.

(6) For school administrative units that do not conform to the requirements of chapter 103-A for the 2009 property tax year, the full-value education mill rate is the amount necessary to result in a 46.14% statewide total local share in fiscal year 2009-10 and after.

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

A. System administration. The per-pupil amount for “system administration” is the actual system administration expenditures, as defined in the State’s accounting handbook for local school systems, for the most recent year available excluding expenditures for leases and the purchase of land and buildings, less revenues to system administration for services to other governments and refunds from a statewide school management association, divided by the average October and April enrollment counts for that fiscal year and then inflated to an estimated allocation year level by a 10-year average increase in the Consumer Price Index or other comparable index. Beginning in school year 2008-2009, this per-pupil amount must be based on school year 2005-2006 system administration expenditures then reduced by 50% and inflated to an estimated allocation year level by a 10-year average increase in the Consumer Price Index or other comparable index;

Sec. XXXX-26. 20-A MRSA §15680, sub-§1, ¶B, as enacted by PL 2003, c. 504, Pt. A, §6, is amended to read:

B. Operation and maintenance of plant. The per-pupil amount for “operation and maintenance of

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

Sec. XXXX-27. 20-A MRSA §15681-A, sub-§2-A is enacted to read:

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

Sec. XXXX-28. 20-A MRSA §15681-A, sub-§3-A is enacted to read:

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

Sec. XXXX-29. 20-A MRSA §15688, sub-§2, as amended by PL 2005, c. 2, Pt. D, §54 and affected by §§72 and 74 and c. 12, Pt. WW, §18, is further amended to read:

2. Member municipalities in school administrative districts, community school districts, regional school units; total costs. For each municipality that is a member of a school administrative district ~~or~~ community school district or regional school unit, the commissioner shall annually determine each municipality’s total cost of education. A municipality’s total cost of education is the school administrative district’s ~~or~~ community school district’s or regional school unit’s total cost of education multiplied by the percentage that the municipality’s most recent calendar year average pupil count is to the school administrative district’s ~~or~~ community school district’s or regional school unit’s most recent calendar year average pupil count.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Total Appropriated (by municipality):	Total raised (district assessments by municipality):
Town A (\$amount)	Town A (\$amount)
Town B (\$amount)	Town B (\$amount)
Town C (\$amount)	Town C (\$amount)
School District	School District
Total Appropriated	Total Raised
(\$sum of above)	(\$sum of above)”

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

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

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

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

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

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

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

§ 15696. Penalties for nonconforming school administrative units

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

- A. The school administrative unit is eligible for only 50% of the minimum state allocation under Title 20-A, section 15689, subsection 1;
- B. The school administrative unit's total cost of education is reduced by adjusting the cost component for system administration under section 15680, subsection 1, paragraph A by half;
- C. The school administrative unit is not eligible for a transition adjustment under section 15686 or any comparable year-over-year transition amount; and
- D. The school administrative unit receives less favorable consideration for approval and funding for school construction pursuant to rules of the state board.

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

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

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

Sec. XXXX-36. Legislative intent and policy. This Part establishes the process for increasing the efficiency and effectiveness of school administrative units by providing a process for reorganizing them into 80 regional school units that meet the policies set forth in the Maine Revised Statutes, Title 20-A, section 1451 and by assisting units to develop more efficient structures for providing administrative services.

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

- A. The Commissioner of Education shall provide notice of the meeting or meetings to municipal officials and school officials from the municipalities and school administrative units within the region, as well as to the general public.
- B. In addition to other information presented at the meeting, the Commissioner of Education shall provide one or more maps showing the suggested alignment of municipalities and other school administrative units designed to increase efficiency and improve educational quality and to meet the requirements of subsection 6.

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

- (1) The intent and goals set forth in Title 20-A, section 1451; and
- (2) The intent that sustainable, long-term administrative efficiencies be achieved by consolidating the current number of school units existing on the effective date of this Act into 80 regional units or into a number of units that meets the administrative efficiencies established by this Part. Regional units of at least 2,500 resident students must be created except where circumstances justify an exception to that size requirement. When circumstances justify an exception to the requirement of 2,500 students, the unit must serve as close to 2,500 students as possible and in no case, except for offshore islands and schools operated by tribal school committees, may it serve fewer than 1,200 students.

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

A. 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 Part and Title 20-A, chapter 103-A; or

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

- (1) An offshore island;
- (2) A school operated by a tribal school committee pursuant to the Maine Revised Statutes, Title 30, section 6214;
- (3) A school administrative unit that serves more than 2,500 students, or 1,200 students where circumstances justify an exception to the requirement of 2,500 students under subsection 6, paragraph A, where expansion of the unit would be inconsistent with the policies set forth in Title 20-A, section 1451; or
- (4) A school administrative unit that is designated as an efficient, high-performing district. For purposes of this subparagraph, a school administrative unit is designated an “efficient, high-performing district” if:
 - (a) It contains at least 3 schools identified as “higher performing” in the May 2007 Maine Education Policy Research Institute report “The Identification of Higher and Lower Performing Maine Schools”; and
 - (b) Its reported 2005-2006 per-pupil expenditures for system administration represent less than 4% of its total per-pupil expenditures.

3. Reorganization planning committee. Municipalities 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 in existence on the effective date of this Part, 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.

4. Submission of plans. By December 1, 2007, each school administrative unit shall submit to the Commissioner of Education either:

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

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

Each school administrative unit shall exercise due diligence and act in good faith in developing a plan that meets the requirements of this Part and furthers the intent of the Legislature to achieve sustainable, long-term administrative efficiencies.

5. Content. A reorganization plan must include:

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

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

C. The method of voting of the governing body;

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

E. The disposition of real and personal school property;

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

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

H. The disposition of existing school funds and existing financial obligations, including

undesignated fund balances, trust funds, reserve funds and other funds appropriated for school purposes;

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

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

K. 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;

L. An estimate of the cost savings to be achieved through formation of a regional school unit and how costs will be reduced; and

M. Such other matters as the governing bodies of the school administrative units in existence on the effective date of this Part may determine to be necessary.

6. Parameters. In developing a reorganization plan for school administrative units in existence on the effective date of this Part, the governing bodies of school administrative units shall work within the following parameters.

A. The proposed regional school unit must serve not fewer than 2,500 students, except where circumstances relating to the following factors justify an exception:

(1) Geography, including physical proximity and the size of the current school administrative unit;

(2) Demographics, including student enrollment trends and the composition and nature of communities in the regional school unit;

(3) Economics, including existing collaborations to be preserved or enhanced and opportunities to deliver commodities and services to be maximized;

(4) Transportation;

(5) Population density, including the rural nature of our communities;

(6) 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; or

(7) If, after performing due diligence to develop a regional plan that meets the 2,500 students enrollment requirement, a school administrative unit is unable to achieve the enrollment goal due to the decision of geographically proximate school administrative units to participate in a different regional unit.

When circumstances justify an exception to the requirement of 2,500 students, the unit must serve at least 1,200 students, except for offshore islands and schools operated by tribal school committees, which may serve fewer than 1,200 students.

B. The proposed unit, viewed in conjunction with surrounding proposed units, may not result in one or more municipalities being denied the option to join a regional school unit.

C. The plan must provide comprehensive programming for all students from kindergarten to grade 12 and must include at least one publicly supported secondary school;

D. The plan must be consistent with the policies set forth in Title 20-A, section 1451;

E. 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; and

F. The plan must address how the school administrative unit will reorganize administrative functions, duties and noninstructional personnel so that the projected expenditures of the reorganized school unit in fiscal year 2008-09 for system administration, transportation, special education and facilities and maintenance will not have an adverse impact on the instructional program.

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

A. If the Commissioner of Education finds that a plan for reorganization is not consistent with subsection 6 and the purposes and goals of this Part, or that it has not adequately addressed the matters set forth in subsection 6, the commissioner shall return the plan to the governing bodies of those school administrative units by December 15, 2007 with specific suggestions for modification of the plan and written findings providing the specific reasons why the plan did not meet with the requirements in this Part.

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

C. The Commissioner of Education shall make a determination whether the revised plan for reorganization meets the requirements of this Part not more than 14 days after it is refiled by the unit.

D. The Commissioner of Education may not find that a plan for reorganization does not meet the requirements of this Part solely on the ground that a finding that it meets the requirements would cause the number of regional school units in the State to exceed 80.

8. 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 conducted in accordance with the referendum procedures applicable to the school administrative unit of which the municipality is a member. A referendum must be held on or before January 15, 2008 for a reorganization plan that was submitted by December 15, 2007 and that the Commissioner of Education found meets the requirements of this Part. A referendum must be held on June 10, 2008 for any plan received or revised after December 15, 2007 and subsequently found by the Commissioner of Education to meet the requirements of this Part.

”Article: Do you favor approving the school administrative 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 school administrative unit) joining the proposed regional school unit, which will be provided with the following incentives:

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

Eligibility for additional financial support for reorganization costs.

A “NO” vote means that you do not approve of the (municipality or school administrative unit) joining a regional school unit, which will result in the existing (municipality or school administrative unit) receiving the following penalties:

Less favorable consideration in approval and funding of school construction projects; and

A reduction in state funding of education costs in an amount estimated to be \$_____ for school year 200_ and \$_____ for school year 200_, with the possibility of ongoing penalties for continued failure to join an approved regional school unit. Reductions in state education funding will likely result in an increased mill rate expectation to meet the local share of education costs.”

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

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

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

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.

10. 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 units.

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

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

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

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

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

1. Prepare models. Prepare one or more models for the reorganization of school administrative units in existence on the effective date of this Part, consistent with the provisions of section 35, subsection 1;

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

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

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

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

6. Submit report. Submit a report to the Joint Standing Committee on Educational and Cultural Affairs no later than February 1, 2008 that describes the compliance of the participating school administrative units in existence on the effective date of this Part with the requirements of this Part.

Sec. XXXX-38. Notification of allocation of funding to school administrative units. Notwithstanding the Maine Revised Statutes, Title 20-A, section 15689-B, subsection 2, paragraph A, the notice by the Commissioner of Education to school boards of the estimated amount of state funds to be allocated to the school administrative unit for school years 2008-2009 and 2009-2010 must be provided not later than March 31st.

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

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

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

3-year term and the 2nd a 2-year term.

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

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

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

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

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

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

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

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

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

3. Financing assumed debts. A regional school unit shall assume the outstanding indebtedness of a school administrative unit in existence prior to July 1, 2009 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 July 1, 2009 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 July 1, 2009 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 July 1, 2009 in its regional school unit for nonstate funded projects pursuant to Title 20-A, section 15905-A and pursuant to section 1481.

Sec. XXXX-43. Operational date and transfer of authority.

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

2. Transfer of governing authority; regional school units approved prior to January 16, 2008. This subsection applies to regional school units approved prior to January 16, 2008. The regional school unit board of directors, on the date established in subsection 1, shall assume responsibility for the management and control of the public schools and programs within the school administrative units in existence prior to July 1, 2008 that are within the regional school unit. Those school administrative units in existence prior to July 1, 2008, on the date established in subsection 1, have no further responsibility for the operation or control of the public schools and programs within the school administrative unit except those pursuant to section 1481.

3. Transfer of governing authority; regional school units approved after January 15, 2008. This subsection applies to regional school units approved after January 15, 2008 and before November 5, 2008. The regional school unit board of directors, on the date established in subsection 1, shall assume responsibility for the management and control of the public schools and programs within the school administrative units in existence prior to July 1, 2009 that are within the regional school unit. Those school administrative units in existence prior to July 1, 2009, 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.

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

year.

5. Transfer of teachers and employees. Except as limited by paragraph A, for regional school units approved prior to January 16, 2008, all teachers and school employees who are employed by a participating school administrative unit on June 30, 2008 must be transferred to and employed by the regional school unit as of July 1, 2008. Except as limited by paragraph A, for regional school units approved after January 15, 2008 and before November 5, 2008, all teachers and school employees who are employed by participating school administrative units on June 30, 2009 must be transferred and employed by the regional school unit as of July 1, 2009. 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 Part 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.

A. For regional school units approved prior to January 16, 2008, teachers or other employees whose employment terminates by application of law or contract or by action of a participating school administrative unit before July 1, 2008 may not be transferred. For regional school units approved after January 15, 2008 and before November 5, 2008, teachers or other employees whose employment terminates by application of law or contract or by action of a participating school administrative unit before July 1, 2009 may not be transferred.

B. 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.

6. Collective bargaining. The following provisions apply:

A. On July 1, 2008 for regional school units approved prior to January 16, 2008 and on July 1, 2009 for regional school units approved after January 15, 2008 and before November 5, 2008, 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:

(1) 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;

(2) 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

(3) 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.

B. As early as possible but no later than August 31, 2011 for regional school units approved prior to January 15, 2008 and no later than August 31, 2012 for regional school units approved after January 15, 2008 and before November 2, 2008, 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.

(1) 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.

(2) 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.

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

(a) 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.

(b) 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.

(4) 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.

(5) 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.

(6) 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 (5) 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 (8).

(7) When there are unexpired collective bargaining agreements with different expiration dates in the merged bargaining units described in subparagraphs (4), (5) and (6), 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.

(8) 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 subparagraph.

(a) 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.

(b) 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.

(c) 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.

(d) 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.

(e) 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.

(f) 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.

C. 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, salary schedules, hours and working conditions throughout the regional school unit must be made uniform and consistent as soon as practicable.

(1) 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.

7. 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.

Sec. XXXX-44. State board rules; construction rating process. The State Board of Education shall modify the rules establishing the rating process for school construction to include language to implement the penalty provision under the Maine Revised Statutes, Title 20-A, section 15696, subsection 1, paragraph E.

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

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

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

- A. Archaic or unnecessary features or features lacking significant public purpose;
- B. Inadequate funding;
- C. Disproportionate efforts for the public policy benefit;
- D. Coordination between federal law and regulation and State law and rule;
- E. Subjection to excessive administrative oversight; and
- F. An insufficient structure to predict, measure or control local costs.

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

Sec. XXXX-46. Report; validation referendum review. The Department of Education shall conduct a review of the results of the validation referendums conducted for the approval of the 2008-2009, 2009-2010 and 2010-2011 school budgets. In conducting its review, the department shall:

- 1. Collect and analyze the results of the referendums from school administrative units;
- 2. Determine the number of school budgets that were approved by the voters with the initial referendum;
- 3. Determine the number of school budgets that were not approved by the voters with the initial referendum;
- 4. For those school budgets that were not approved by the voters with the initial referendum, determine the number of referendums that were required to be held in order to obtain voter approval and the number of school budgets that exceeded the maximum state and local spending target;
- 5. Collect and analyze other information regarding the validation referendum process as deemed pertinent by the department; and
- 6. Report its findings and recommendations, including suggested legislation, to the joint standing committee of the Legislature having jurisdiction over education matters by December 15, 2010. In its recommendations, the department shall include proposals to extend, modify or repeal the current validation referendum process. Following receipt and review of the report, the joint standing committee

of the Legislature having jurisdiction over education matters shall report out a bill to the First Regular Session of the 125th Legislature that extends, modifies or repeals the current validation referendum process.

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

Sec. XXXX-48. Rulemaking for efficient, high-performing districts. The Commissioner of Education shall adopt major substantive rules, as defined in the Maine Revised Statutes, Title 5, chapter 375, subchapter 2-A, to establish criteria for the identification of efficient, high-performing school districts beginning with the 2008-2009 school year. In establishing the criteria, the commissioner must be guided by the criteria used by the Maine Education Policy Research Institute in its 2007 report “The Identification of Higher and Lower Performing Maine Schools” and establish an efficiency factor for per-pupil expenditures for system administration. The commissioner shall provisionally adopt the rules and submit them to the Joint Standing Committee on Education and Cultural Affairs no later than December 1, 2007.