

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

Amend the amendment by striking out all of Part XXXX and inserting the following:

## **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-§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. Notwithstanding any other provision of law, a school union qualifies as a regional school unit if it meets the minimum resident student parameters specified in section 1455.

**Sec. XXXX-3. 20-A MRSA §1001, sub-§3,** as amended by PL 2001, c. 588, §5, is further amended to read:

**3. Selection of superintendent.** They shall select a superintendent or contract for administrative services in accordance with section 1051 to carry out the duties specified in section 1055.

**Sec. XXXX-4. 20-A MRSA §1051, sub-§7** is enacted to read:

**7. Superintendent not required.** Notwithstanding the other provisions of this section, a school administrative unit with fewer than 200 resident pupils is not required to employ a superintendent of schools and may contract for those administrative services with another school administrative unit, an educational advisory organization reorganized under Title 30-A, section 5724 or the department. A school administrative unit, educational advisory organization or the department in providing administrative services under this subsection has the rights and duties of a superintendent under this subchapter.

**Sec. XXXX-5. 20-A MRSA c. 103-A** is enacted to read:

## **CHAPTER 103-A**

### **Reorganization of School Administrative Units**

#### **§ 1451. Organization of regional school units**

This chapter governs the reorganization of the State's school administrative units. It is declared the policy of the State to provide sufficient resources to support the reorganization of school administrative units into school systems of the size and structure identified in this chapter in order 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.** The delivery of the academic programs that meet the requirements of the system of learning results established in section 6209;

**4. Tax rates.** A general uniformity of school tax rates;

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

**6. Public funds.** A more effective use of the public funds expended for the support of public schools by means of the creation of more cost-efficient organizational structures; and

**7. School choice.** The preservation of existing opportunities for choice of schools.

#### **§ 1452. State and local cost reduction goals**

**1. Cost reduction plans.** By February 1, 2008, every school administrative unit and school union shall develop a plan to reduce costs by reorganizing administrative and noninstructional functions through collaboration, shared service arrangements, administrative reorganizations and other cost containment measures in order to achieve the legislative goal of reducing projected state and local expenditures in fiscal year 2008-09 for transportation, facilities and maintenance and other noninstructional functions by 5% from projected expenditures for those purposes in fiscal year 2007-08 as adjusted for inflation.

**2. Adjustment to achieve 5% reduction.** The commissioner shall adjust the total cost of the components of essential programs and services for transportation, facilities and maintenance and other noninstructional functions in fiscal year 2008-09 to achieve a 5% reduction from the essential programs and services allocations for those purposes in fiscal year 2007-08 as adjusted for inflation.

**3. Adjustment for system administration.** The commissioner shall adjust the cost components of essential programs and services for system administration for fiscal year 2008-09 to the per-pupil amount based on school year 2005-2006 system administration expenditures, 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.

#### **§ 1453. Reorganization of school administrative units**

Not later than July 1, 2009, school administrative units in existence on the effective date of this chapter shall complete a reorganization that creates regional state-approved units of school administration that:

**1. York and Cumberland.** In York County and Cumberland County, serve at least 2,500 resident students, except that regional school administrative units in those counties with fewer than 100 people per square mile as determined by the most recent Federal Decennial Census must serve at least 1,200 students, with approved exceptions; and

**2. All other counties.** In all other counties, serve at least 1,200 students, with approved exceptions.

In completing the reorganization under this section, school administrative units shall strive to create 80 regional state-approved units of school administration or a number that meets the administrative efficiencies desired by the Legislature.

#### **§ 1454. Reorganization planning committees**

**1. Establishment of reorganization planning committees.** To accomplish the purposes of this chapter, the commissioner shall assist in the establishment of reorganization planning committees comprising all of the school administrative units in the State.

**2. Boundaries.** The boundaries of the reorganization planning committees are as follows.

A. On the effective date of this chapter, the provisional boundaries of the reorganization planning committees are the boundaries of the State's career and technical education regions and centers.

B. By August 1, 2007, any existing educational service or joint planning collaborative or similar group of school administrative units may apply to the commissioner for designation as a reorganization planning committee. The commissioner shall approve such applications upon a finding that the composition of the reorganization planning committee is consistent with the goals and purposes of this chapter and that the school administrative units seeking such designation have a history of working together on a cooperative basis toward achievement of educational goals, providing educational services or seeking greater efficiencies in the delivery of educational services.

C. If approval of an application for designation as a reorganization planning committee under paragraph B reduces the geographic area and the number of school administrative units within a reorganization planning committee's jurisdiction as provisionally established under paragraph A so that the commissioner finds that it is no longer consistent with the goals and purposes of this chapter, the commissioner, in consultation with affected school boards and superintendents, may reassign affected school administrative units to other reorganization planning committees.

D. No later than September 1, 2007, any existing school administrative unit or school union may apply to the commissioner for reassignment from the reorganization planning committee to which it is provisionally assigned pursuant to paragraph A to another reorganization planning committee. After consulting with affected school boards and superintendents, the commissioner shall approve such application upon a finding that the reassignment is consistent with the purposes of this chapter. If the commissioner finds that the reassignment will not be consistent with the goals and purposes of

this chapter, the commissioner, in consultation with affected school boards and superintendents, may either reassign the remaining school administrative units and school unions to another reorganization planning committee or deny the application.

E. No later than September 15, 2007, the commissioner shall determine the final boundaries of the reorganization planning committees.

F. In carrying out the duties required by this chapter, reorganization planning committees and their participating school administrative units and school unions shall engage in joint planning to develop school reorganization plans. At any time during the planning process, a school administrative unit or school union that proposes to participate in a school reorganization plan with one or more school units or school unions in another reorganization planning committee may petition the commissioner for permission to transfer from its designated reorganization planning committee to another reorganization planning committee. The commissioner may approve such a transfer after consulting with affected reorganization planning committees upon a finding that the proposed transfer will further the purposes and goals of this chapter. If such approval is granted, the education, municipal and public representatives of the school administrative units or school unions petitioning for the transfer become members of the reorganization planning committee to which the school administrative units or school unions have been transferred.

**3. Composition of reorganization planning committees.** Each reorganization planning committee consists of the following members:

A. One education representative from each school union and each school administrative unit that is not a member of a school union in the reorganization planning committee. Each education representative must be selected by that representative's respective school board or school union board;

B. One municipal representative from the municipalities within each school union and one municipal representative from each school administrative unit that is not a member of a school union in the reorganization planning committee. Each municipal representative must be selected by a caucus of the municipal officers of the municipalities within each respective school administrative unit or school union; and

C. Six members of the general public, appointed by a vote of the municipal and school officials serving as members of the regional planning committee, except that the number of public members may not exceed the number of school or municipal members.

The composition of the governing body of an existing educational service or joint planning collaborative group approved as a reorganization planning committee by the commissioner under subsection 2, paragraph B remains unchanged.

The respective appointing authorities shall fill any vacancy that occurs for the respective member.

**4. Call of meeting; quorum.** Upon the determination of the members of a reorganization planning committee, the commissioner shall call the initial meeting of the reorganization planning committee by notifying each member of the date, time and place of that meeting. At the initial meeting of the reorganization planning committee, 1/2 of the members constitutes a quorum. If a quorum is not present, the members present shall continue the meeting to a later date. Once a quorum is present, the members may adopt rules of procedure, elect officers and conduct other lawful business they consider appropriate.

**§ 1455. Initial school reorganization plans**

The reorganization planning committees shall develop plans for reorganization of school administrative units according to the standards established by this section.

**1. Parameters of reorganization plans.** In developing a reorganization plan for school administrative units in existence during the 2007-2008 school year, the reorganization planning committees shall work within the following parameters:

A. Each regional school administrative unit located in York County or Cumberland County must serve at least 2,500 students, except that regional school units in York County or Cumberland County with fewer than 100 people per square mile as determined by the most recent Federal Decennial Census must serve at least 1,200 students and each regional school unit in all other counties must serve at least 1,200 students, with approved exceptions pursuant to paragraph C or D;

B. Each reorganized school administrative unit or school union in all counties except York and Cumberland must serve no fewer than 1,200 students, with approved exceptions pursuant to paragraph C or D;

C. Exceptions must be made for geographically isolated school administrative units including coastal islands not connected by road or bridge to the mainland and geographic regions of the State where the population density is less than 30 inhabitants per square mile according to the most recent Federal Decennial Census;

D. Exceptions must be made for school administrative units that are efficient, high-performing districts. A school administrative unit is an efficient, high-performing district if:

(1) At least 3 schools in the school administrative unit are identified as "higher performing" in the May 2007 Maine Education Policy Research Institute report "The Identification of Higher and Lower Performing Maine Schools"; and

(2) The school administrative unit's reported 2005-2006 per-pupil expenditures for system administration represent less than 4% of its total per-pupil expenditures;

E. The plan may not displace teachers or students or close any schools existing and operating during the 2008-2009 school year, except as school closings are permitted under section 4102.

## **§ 1456. Department responsibilities**

The department has the following responsibilities in implementing this chapter:

**1. Reorganization models.** Preparing at the request of a reorganization planning committee one or more models for the reorganization of school administrative units consistent with the provisions of section 1455;

**2. Data.** Assisting all reorganization planning committees in the collection and presentation of data pertinent to the charge established by this chapter;

**3. Meetings.** Assisting in the organization of the meetings and caucuses required by this chapter to establish reorganization planning committees and to prepare reorganization plans as provided in section 1457;

**4. Facilitation services.** Providing or contracting for facilitation services to be provided to the reorganization planning committees to ensure their ability to fulfill the charges required by this chapter; and

**5. Adjustment of rates.** Adjusting, with legislative approval, the essential programs and services rates for transportation, facilities and maintenance, other noninstructional services and system administration to reflect the cost reduction requirements of section 1452, subsections 2 and 3; section 15680, subsection 1, paragraphs A and B; section 15681-A, subsections 2-A and 3-A.

## **§ 1457. Cost sharing**

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 and for educational purposes. The additional local costs of operating a regional school unit must be shared among all municipalities within the regional school unit in accordance with the reorganization plan, 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 agreement is modified or eliminated as part of a reorganization to regional school units under this chapter or 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.

## **§ 1458. Action on school reorganization plans**

**1. Review and approval of reorganization plans by commissioner.** The commissioner shall review proposed reorganization plans and approve or disapprove the plans by July 15, 2008. The commissioner shall approve a reorganization plan upon finding that the plan is consistent with the goals and purposes of this chapter and that the plan has adequately addressed the matters described in section 1453. If the commissioner determines that a plan for reorganization is not consistent with the purposes and goals of this chapter, or that it has not adequately addressed the matters set forth in section 1453, the commissioner shall return the plan to the reorganization planning committee with specific suggestions for modification of the plan. In that event, the reorganization planning committee shall revise the proposed reorganization plan to address the commissioner's concerns and submit a revised reorganization plan not later than August 15, 2008. The commissioner shall approve or disapprove the revised reorganization plan by August 31, 2008.

**2. Submission of legislation.** A school administrative unit or group of school administrative units of a proposed size or organizational structure previously disapproved by the commissioner is authorized to submit legislation for the purpose of being established as a school administrative unit or school union eligible for certification pursuant to this chapter.

**3. Approval of reorganization plan by voters.** If a plan or revised reorganization plan has been approved by the commissioner by August 31, 2008, the municipal officers of each municipality in a proposed reorganized school administrative unit or school union shall place a warrant article substantially as follows on the ballot of a municipal referendum conducted in conjunction with the general election in November 2008:

"Article ....: Shall the school reorganization plan prepared by the (insert name) reorganization planning committee and approved by the Commissioner of Education to reorganize (insert names of affected school administrative units and school unions) with an effective date of July 1, 2009 be approved?"

If a reorganization plan is approved by all of the affected municipalities, the commissioner shall issue a certificate of organization to the reorganized school administrative unit or school union. If the reorganization plan is approved by less than all of the affected municipalities, the commissioner may issue a certificate of organization for a reorganized school administrative unit or school union comprised of those municipalities that voted in favor of the plan if the reorganization plan so provides.

**4. Referendum costs.** The department shall pay the cost of a referendum conducted before or on January 15, 2008.

**5. Consequences of failure to submit or gain approval of reorganization plans.** 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 nonconforming school administrative unit's state subsidy must be reduced by an amount equal to 50% of the legislatively approved elementary school level, middle school level and high school level per-pupil essential programs and services rate for system administration applied to the number of resident pupils at each school level in that school administrative unit as of July 1, 2009 until such time as the school administrative unit is compliant with the applicable minimum number of resident pupils.

B. The penalty specified in paragraph A does not apply to:

(1) A school administrative unit that has been designated as an approved exception to the minimum resident pupil requirement; or

(2) A municipal school administrative unit whose voters have approved a reorganization plan under subsection 3, but which has not been issued a certificate of organization because one or more other municipalities have failed to approve the reorganization plan.

If a reorganization planning committee fails to submit proposed reorganization plans as required by this section, if reorganization plans are disapproved by the commissioner or if one or more of the municipalities fail to approve a reorganization plan approved by the commissioner, the commissioner shall submit a report to the joint standing committee of the Legislature having jurisdiction over education matters that the reorganization planning committee or the nonapproving municipalities have not met the school reorganization goals of this chapter. A school administrative unit or group of school administrative units of a proposed size or organizational structure previously disapproved by the commissioner is authorized to submit legislation for the purpose of being established as a school administrative unit eligible for certification pursuant to this chapter.

**6. Additional planning authority.** Reorganization planning committees are authorized and encouraged to engage in additional planning activities to redesign the provision of educational administrative and noninstructional services within the reorganization planning committee's region in a manner appropriate to the needs of the region and designed to help meet the expenditure reduction and cost containment requirements of section 1452. The plan should:

A. Recommend the number of educational administrative and noninstructional full-time equivalent positions required within the reorganization planning committee's region for principal, special education director, transportation director, technology officer, business agent or financial officer, human resources director and all reasonably equivalent positions;

B. Recommend adjustments to the region's current profile of administrative and noninstructional personnel;



C. Recommend the organization or reorganization of any joint purchasing arrangements between and among school administrative units within the reorganization planning committee area and between and among school administrative units and municipalities within the reorganization planning committee area;

D. Recommend the coordination of schedules, including without limitation school calendars, school board meetings and school budget development and budget adoption meetings;

E. Recommend the development of coordinated school transportation systems;

F. Recommend the administrative and noninstructional services that should be made available through an educational services collaborative for the benefit of school administrative units and municipal units of government in the region; and

G. Recommend appropriate methods for addressing projected declines in student enrollment over the next 10 years, including possible further reorganization.

**7. Fast track option.** If a reorganization plan is submitted to the commissioner on or before November 1, 2007, the reorganization planning committee submitting the plan may request that the reorganization take effect July 1, 2008 instead of July 1, 2009. In that case, the commissioner shall review and take action on the plan within 14 days of submission. If the commissioner determines that the plan should be approved without need of further revision, the municipal officers of each municipality in the proposed regional school unit may conduct the municipal referendum vote required by this section on January 15, 2008, in which case the referendum question otherwise required by this section must refer to an effective date of July 1, 2008. Subject to the requirements of this section, the commissioner shall issue a certificate of organization, and the operational date is July 1, 2008.

## **§ 1459. Contracts for secondary school programs**

**1. Authority to contract; term.** A reorganized school unit may contract with a nearby school administrative unit or with a private school approved for tuition purposes for all or part of the reorganized school unit's secondary school pupils. The contract may run from a period of 2 to 10 years. The contract must also comply with section 2703 and may provide for the formation of a joint committee in accordance with section 2704. A school administrative unit or school union created pursuant to this chapter that includes within it a school administrative unit or school union in existence prior to June 30, 2008 that has contracted for secondary school programs is bound by the terms of that contract unless otherwise negotiated by the parties.

**2. 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 comprised 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.

**3. 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 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.

**4. Additional expense.** If, pursuant to subsection 3, 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.

## **§ 1460. Transfer of property and assets**

**1. School property.** The governing body of each regional school unit established pursuant to this chapter shall determine what school property of the municipalities and of the school administrative units in existence prior to the operational date of the regional school unit within its jurisdiction is necessary to carry out the functions of the new regional school unit and shall request in writing that the governing body of each preexisting school administrative unit or the municipal officers transfer title of their school property and buildings to the new regional school unit.

**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 and lease-purchase obligations of a school administrative unit in existence prior to the operational date of the new regional school unit for real and personal property transferred to the regional school unit. The directors of the regional school unit board may, notwithstanding any other law to the contrary or any provision of a 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.

## **§ 1461. Debt liability**

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

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

A. "Existing debt" means any bond, note, loan arrangement, lease-purchase agreement or other debt instrument issued prior to the operational date of a regional school unit 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. "New unit" means a school administrative unit or school union created or established pursuant to this chapter.

C. "Original education unit" means:

(1) A school administrative unit or school union that has existing debt; or

(2) A municipality that has existing debt incurred on behalf of a school administrative unit or school union.

**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 must agree to pay the existing debt of an original education unit that is included within the new unit with respect to any real and personal property transferred to the new unit pursuant to section 1460. 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. An original education unit may contract with a new unit for the administration of the payment of existing debt of the original education unit. An original education unit may transfer or delegate to a new unit all those powers and duties reasonable and necessary for the payment of existing debt of the original education unit. 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 provision of law to the contrary or any provision of a 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.

**3. No impact on state debt subsidies.** A change in an 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 a new unit had not 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 existing school units.** 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 governing body of the new unit shall serve as agent for purposes of that existing debt and may:

A. Sue and be sued in the name of the original education unit in 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 in respect of 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, 2008, 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 governing body 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 it shall notify the other new units containing members of the original education unit of the amounts they must assess and collect from their members of the original education unit, and those other new units shall perform the functions in 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 accepts a transfer of the real property for that project, or of the agreement pursuant to which the real property for that project will be acquired, 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. Further action by the legislative body of the new unit is not 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 new unit and otherwise must be in the form and be subject to the procedural requirements as provided by this subsection.

**§ 1462. Operational date and transfer authority**

The provisions of this section apply to a reorganized school administrative unit or school union and its governing body created pursuant to this chapter.

**1. Operational date.** The regional school unit becomes operational on the date established in the certificate of organization as approved by the commissioner pursuant to section 1458, subsection 3.

**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 its jurisdiction. 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 1461.

**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 units, school administrative districts, community school districts or regional school units 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 also shall 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. The length of the probationary period of a teacher or other employee who is transferred to the regional school unit prior to the completion of the applicable probationary period for that teacher's or employee's position must be calculated from the date of that teacher's or employee's initial employment by the previous education unit.

### **§ 1463. Collective bargaining**

**1. Assumption of obligations, duties, liabilities and rights.** On the operational date established pursuant to section 1462, 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.

**2. 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 chapter to neither decrease nor increase the rights and benefits of transferred employees or the employer. The regional school unit also shall 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. The length of the probationary period of a teacher or other employee who is transferred to the regional school unit prior to the completion of the applicable probationary period for that teacher's or employee's position must be calculated from the date of that teacher's or employee's most recent date of employment by the participating school administrative unit.

**3. Collective bargaining.** The provisions of this subsection apply to collective bargaining.

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. These 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 16, 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 that 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 set out in this subparagraph.

(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 determined 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) 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 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.

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.

## **§ 1464. Superintendent contracts**

The contracts between the superintendents and school administrative units and school unions within the new school administrative unit or school union are transferred to the new school administrative unit or school union's governing body. The new school administrative unit or school union's governing body shall determine their duties within the new school administrative unit or school union.

**§ 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 1458, 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."

**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."

**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.

**Sec. XXXX-6. 20-A MRSA c. 112** is enacted to read:

## **CHAPTER 112**

### **School Budget Transparency**

#### **§ 2401. Cost center summary budget format**

After January 31, 2008, the format of the annual budget of a school administrative unit consists of the following cost centers and supporting data:

**1. Expenditures.** The following expenditures:

- A. Prekindergarten to grade 12 instruction, excluding special education;
- B. Instructional support, excluding special education;
- C. Special education;
- D. Leadership;
- E. Facilities maintenance;
- F. Transportation and buses;
- G. Debt service; and
- H. Other commitments;

**2. Revenue sources.** The following revenue sources:

- A. Total education costs appropriated pursuant to section 15690, subsection 1;
- B. Non-state-funded debt service costs approved pursuant to section 15690, subsection 2, if any; and
- C. Additional local funds, if any, approved pursuant to section 15690, subsection 3, paragraph A;

**3. Summary.** A summary of total school administrative unit expenditures; and

**4. Optional local data.** Other optional local data showing the amount and percentage of changes proposed in the state allocation, the local share and the total school administrative unit budget and related information determined appropriate by the governing body of the school administrative unit.

The warrant articles presented to the legislative body of the school administrative unit for approval of the school administrative unit budget must correspond to the categories of the cost center summary budget described in subsection 1. In addition to expenditure and revenue cost center summary totals, the governing body 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.

During the year for which the budget is approved using the cost center summary budget format, the governing body 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.

### **§ 2402. Budget adoption procedures**

Except as otherwise provided in section 15671-A with respect to proposed school budgets that exceed the maximum state and local spending targets, school budget adoption procedures must be controlled by municipal charter, municipal ordinance and municipal election laws for municipal school units by sections 1304 to 1309 for school administrative districts and sections 1701 to 1701-B for community school districts. System administration budgets for school unions must be adopted pursuant to section 1903.

**Sec. XXXX-7. 20-A MRSA c. 114** is enacted to read:

## **CHAPTER 114**

### **EDUCATIONaL SERVICE COLLABORATIVES**

#### **§ 2601. Purpose and goals**

It is the policy of the State to encourage school boards of school administrative units and school unions to form educational service collaboratives to provide joint or shared school administrative and noninstructional services, and where appropriate, to encourage municipalities, counties and other quasi-municipal corporations to participate in educational service collaboratives. The purpose of educational service collaboratives is to achieve efficiencies in school administrative, noninstructional and specialized services, including purchasing, finance and payroll, facilities, human resources and technology, transportation, food service, safety and security, health services and special education. When nonschool units of local government and quasi-municipal corporations are participants in an educational service collaborative, the educational service collaborative may provide corresponding services for such nonschool participants in order to achieve efficiencies for all the participants.

#### **§ 2602. Educational service collaboratives authorized**

The governing bodies of school administrative units, school unions, municipalities, counties and other quasi-municipal corporations may form and participate in educational service collaboratives in accordance with the procedures of section 2603.

#### **§ 2603. Formation of educational service collaboratives**

**1. Submission of plan.** A plan for an educational service collaborative may be developed and approved by the governing bodies of school administrative units, school unions, municipalities, counties and other quasi-municipal corporations. These participants shall submit the plan to the commissioner.

**2. Plan contents.** The plan for an educational service collaborative must include:

- A. The school administrative units and school unions to be included;
- B. The composition of the governing body;
- C. The method of voting;
- D. The proposed method of sharing costs;
- E. The designation of a member school administrative unit or school union as fiscal agent;
- F. The type of services that the educational service collaborative intends to provide;
- G. Provisions for the addition and withdrawal of participants and for dissolution; and
- H. Provisions for amendment of the plan.

**3. Action by commissioner.** Within 30 days of submission of a plan under subsection 1, the commissioner shall approve the plan upon a finding that the plan is consistent with the purposes and goals of this chapter and, in cases where there is a nonschool participant, that the plan is consistent with the education and education funding laws of this State. Alternatively, if the commissioner determines that a plan is not consistent with the goals and purposes of this chapter or that the plan is not consistent with the education and education funding laws of this State, the commissioner shall return the plan to the governing bodies of the participants with specific suggestions for modification. If the commissioner does not approve a plan or return the plan with specific suggestions for modification within 30 days, the commissioner is deemed to have approved the plan.

**4. Certificate of organization.** If the commissioner approves or is deemed to have approved the plan under subsection 3, the commissioner shall issue a certificate of organization for the educational service collaborative. The certificate of organization for an educational service collaborative must bear the official name of the educational service collaborative, the date of organization and the names of the participants. The commissioner shall file an attested copy of the certificate of organization with the Secretary of State. The issuance of a certificate of organization is conclusive evidence of the lawful organization of the educational service collaborative.

## **§ 2604. Representatives**

**1. Appointment.** The governing body of each school administrative unit, school union and nonschool participant of an educational service collaborative shall appoint one representative to the governing body of the educational service collaborative. The representative of each participant must be a member of its governing body or its superintendent or designee. Each representative serves at the will of the appointing governing body.

**2. Vacancies.** The appointing governing body shall fill any vacancy that occurs.

## **§ 2605. Legal status**

An educational service collaborative is a quasi-municipal corporation within the meaning of Title 30-A, section 2604, subsection 3 and a political subdivision within the meaning of Title 30-A, section 2252.

## **§ 2606. Authority and powers**

The governing body of an educational service collaborative has the power and authority:

**1. Contracts.** To enter into contracts and accept assignment of contracts by its participants subject to the requirements of Title 30-A, section 2605.

**2. Services.** To hire staff or enter into agreements with its members for staff services;

**3. Real estate.** To acquire and to convey real estate and interests in real estate, including leases;

**4. Budget and cost sharing.** To adopt an annual budget, to expend funds and to share costs among its participants;

**5. Investment.** To invest funds through its treasurer in accordance with Title 30-A, chapter 223, subchapter 3-A;

**6. Gifts and grants.** To accept conditional and unconditional gifts and grants, outright or in trust. Conditional gifts requiring ongoing commitment of funds must be authorized by the participants in accordance with applicable law;

**7. Lease-purchase financing.** To issue municipal lease-purchase agreements to vendors or 3rd-party lease-finance companies to finance equipment, facilities, furnishings, instructional materials, software and related professional services and costs of issuance for school purposes and, when the educational service collaborative includes nonschool participants, for corresponding governmental purposes of such nonschool participants. The term of a lease-purchase agreement may not exceed the anticipated useful life of the property and in any case may not exceed 10 years. For purposes of and to the extent permitted by federal tax law, an educational service collaborative is considered a subordinate entity controlled by the school administrative units, the members of the school unions and the nonschool participants who belong to the educational service collaborative. The participants may not delegate their taxing, eminent domain and police powers to the educational service collaborative; and

**8. Organizational powers.** To organize any corporate or other legally recognized entity, including nonprofit corporations and educational foundations under the United States Internal Revenue Code, Section 501(c)(3), and to enter into any other legally recognized arrangement for shared or joint provision of services for the purpose of promoting the objectives of this chapter. This chapter does not



limit the authority of public agencies, including school administrative units, to enter into agreements under Title 30-A, chapter 115 to exercise powers jointly, or the authority of school administrative units or school unions to enter into any other agreements pursuant to applicable law.

**§ 2607. Prohibited employment**

A member of the governing body of an educational service collaborative or spouse of a member may not be an employee of the educational service collaborative.

**Sec. XXXX-8. 20-A MRSA §4102, sub-§5** is enacted to read:

**5. Approval required.** The affirmative vote of at least two-thirds of the elected membership or voting power of the board of directors of a school administrative district or a district school committee is required in order to close a school building in a member municipality.

**Sec. XXXX-9. 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-10. 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-11. 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-12. 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-13. 30-A MRSA §5724, sub-§8,** as enacted by PL 1987, c. 737, Pt. A, §2 and Pt. C, §106 and amended by PL 1989, c. 6; c. 9, §2; and c. 104, Pt. C, §§8 and 10, is further amended to read:

**8. Tests and scoring services.** Provide for the use by pupils attending nonpublic elementary and secondary schools within the municipality or a district the standardized tests and scoring services ~~whieh~~that are in use in the public schools serving that municipality or district; and

**Sec. XXXX-14. 30-A MRSA §5724, sub-§9,** as amended by PL 2003, c. 75, §3, is further amended to read:

**9. Advisory organizations.** Obtain the services of educational advisory organizations. The Legislature recognizes the Maine School Management Association and the Maine School Boards Association as nonprofit advisory organizations and declares these associations to be instrumentalities of their member school administrative units, municipal and quasi-municipal corporations with their assets upon their dissolution to be delivered to the Treasurer of State to be held in custody for the municipalities of the State. An educational advisory organization may receive federal grants or contributions for their activities with respect to the solution of local problems.

A municipality may provide health or remedial services to nonpublic school pupils as authorized by this section only if those services are available to pupils attending the public school serving the municipality.

Health and remedial services and instructional materials and equipment provided for the benefit of nonpublic school pupils under this section and the admission of pupils to the nonpublic schools must be provided without distinction as to race, creed, color, the national origin of the pupils or of their teachers. No instructional materials or instructional equipment may be loaned to pupils in nonpublic schools or their parents unless similar instructional material or instructional equipment is available for pupils in a public school served by a municipality.

A recognized educational advisory organization may contract with a school administrative unit with fewer than 200 resident pupils for administrative services as permitted by section 1051, subsection 7.

**Sec. XXXX-15. Reorganization planning committee responsibilities.** The reorganization planning committees established pursuant to the Maine Revised Statutes, Title 20-A, chapter 103-A are responsible for developing plans for the reorganization of Maine school administrative units and school unions in accordance with Title 20-A, chapter 103-A and this section.

**1. Initial plans for consolidation.** Initial plans for consolidation must comply with this subsection.

A. On or before March 1, 2008, each reorganization planning committee shall submit to the Commissioner of Education a reorganization plan that meets the parameters for reorganization in Title 20-A, section 1455, subsection 1. The plan serves as an initial notification of intention to reorganize those affected school administrative units and school unions.

B. The commissioner shall review each preliminary plan for school reorganization submitted pursuant to paragraph A and approve that plan by March 30, 2008 if the commissioner finds that the plan is consistent with the purposes and goals of Title 20-A, chapter 103-A. Alternatively, if the commissioner determines that the preliminary plan is not consistent with the goals and purposes of chapter 103-A, the commissioner shall return the preliminary plan to the reorganization planning committee with specific suggestions for modification. In that event, the reorganization planning committee shall revise the preliminary plan to address the commissioner's concerns and shall submit a revised plan to the commissioner no later than December 15, 2007. The commissioner shall approve or disapprove the revised plan by December 31, 2007.

**2. Plans for school unit and school union reorganization.** On or before June 30, 2008, each reorganization planning committee shall submit to the commissioner a final plan for the reorganization of school administrative units and school unions within the region with a goal of ensuring that each school union and each school administrative unit not a member of a school union serves at least 2,500 resident pupils if located within York County or Cumberland County, except that regional school units in those counties with fewer than 100 people per square mile as determined by the most recent Federal Decennial Census must serve at least 1,200 students, and each regional school unit in all other counties must serve at least 1,200 students, with approved exceptions pursuant to Title 20-A, section 1455, subsection 1, paragraphs C and D. The plans for reorganization must address at a minimum the following matters consistent with the requirements established in Title 20-A, section 1455:

- A. The school administrative units to be included in the proposed reorganized school administrative unit or school union;
- B. The size, composition and apportionment of the governing body;
- C. The method of voting of the governing body;
- D. The method of sharing costs;
- E. The disposition of real and personal school property in accordance with Title 20-A, section 1460;
- F. The disposition of existing school indebtedness and lease-purchase obligations in accordance with Title 20-A, section 1461;
- G. The assignment of school personnel contracts, school collective bargaining agreements and other school contractual obligations in accordance with Title 20-A, section 1462;
- H. The disposition of existing school funds, including undesignated fund balances, trust funds, reserve funds and other funds appropriated for school purposes;
- I. A plan that ensures the timely development of a budget for the 2009-2010 school year 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 or increased, as applicable; and

M. Such other matters as the governing bodies of the existing school administrative units and school unions determine to be necessary.

**Sec. XXXX-16. Submission of reports.** The Department of Education shall submit annual reports to the Legislature no later than January 1, 2008 and January 1, 2009 that describe the progress of the reorganization planning committees and participating school administrative units with the requirements of the Maine Revised Statutes, Title 20-A, chapter 103-A. The report submitted by January 1, 2008 must include a description of those proposed regional school units that have opted to hold a referendum vote on consolidation in January 2008 as well as a description of the progress in planning of all other proposed regional school units and the existing obstacles to consolidation in those proposed units.

Elements of the plans for multimunicipal school administrative units related to the size, composition, apportionment and method of voting of the governing body must conform to the requirements of Title 20-A, chapter 103, subchapter 3 and chapter 105, subchapter 2, as applicable.

**Sec. XXXX-17. 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-18. Adjustment for regional school unit start-up costs.** The Commissioner of Education shall establish an adjustment for 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-19. 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. List of mandates.** Prepare a comprehensive listing of the state mandates placed on school administrative units;

**2. Legal origin of mandate.** 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 also shall provide notice and analysis of federal mandates that contribute to or conflict with specific state mandates on school administrative units;

**3. Costs of mandates.** Identify the statewide local government costs of each listed mandate within the limits of practicability; and

**4. Characteristics of mandates.** 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.

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 committee may submit a bill to the First Regular Session of the 124th Legislature.

**Sec. XXXX-20. Report; 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 a report that contains recommendations and any proposed legislation necessary to fully implement this Part. Following receipt and review of the report, the Joint Standing Committee on Education and Cultural Affairs 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. 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.’

Amend the amendment by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

## SUMMARY

This amendment changes the framework for the reorganization of school administrative units as proposed in Committee Amendment “A” in the following ways:

1. It provides for a January 2008 referendum as an option to a mandatory referendum required to be held in November 2008, which will allow certain school administrative districts to be fully consolidated by July 1, 2008;
2. It establishes minimum sizes for regional school units in York County and Cumberland County of 2,500 resident students and 1,200 resident students in all other counties, with approved exceptions for both size requirements; and

3. It authorizes school administrative units and school unions to form educational service collaboratives to provide joint or shared school administrative and noninstructional services.

**FISCAL NOTE REQUIRED**  
**(See attached)**