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An Act To Repeal the Laws Governing Consolidation of School Administrative Units

Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, in order for this legislation to apply to the 2009-2010 school year, it must take effect before the expiration of the 90-day period; and

Whereas, the provisions of this Act must take effect immediately to terminate the activities of reorganization planning committees and school administrative units that are currently in the process of attempting to meet statutory timelines related to school reorganization efforts; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

Sec. 1. 20-A MRSA §1, sub-§20-A, as enacted by PL 2007, c. 240, Pt. XXXX, §1, is repealed.

Sec. 2. 20-A MRSA §1, sub-§23-B, as enacted by PL 2007, c. 240, Pt. XXXX, §2, is repealed.

Sec. 3. 20-A MRSA §1, sub-§24-B, as enacted by PL 2007, c. 240, Pt. XXXX, §3, is repealed.

Sec. 4. 20-A MRSA §1, sub-§24-C, as enacted by PL 2007, c. 240, Pt. XXXX, §4, is repealed.

Sec. 5. 20-A MRSA §1, sub-§26, as repealed and replaced by PL 2007, c. 668, §1, is repealed and the following enacted in its place:

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 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.

Sec. 6. 20-A MRSA §1201, as repealed by PL 2007, c. 240, Pt. XXXX, §6, is reenacted to read:

§ 1201. Criteria for establishing a school administrative district

The following criteria shall apply to establishing a school administrative district.

- 1. Number of municipalities.** The district shall have 2 or more member municipalities.
- 2. Number of students.** The district shall have, as recorded in the last return under section 6004:
 - A. Three hundred or more resident public secondary school students;**

B. One hundred or more resident public secondary school students, if the state board determines the formation of a larger district is educationally, economically or geographically not feasible;

C. Fifty or more resident public secondary school students if:

(1) The proposed district has on file with the state board a duly authorized and executed 2-year to 10-year contract offer from a municipality having 100 or more resident public secondary school students; and

(2) If the combined number of resident public secondary school students in these 2 school administrative units exceeds 300; and

D. Any number of secondary school students, if the new district is composed in whole or in part of a community school district:

(1) Offering a program of education for grades 9 through 12; and

(2) Formed on or before, and operating on April 1, 1957.

Sec. 7. 20-A MRSA §1202, as repealed by PL 2007, c. 240, Pt. XXXX, §7, is reenacted to read:

§ 1202. Formation of district

The residents of 2 or more municipalities may form a school administrative district which shall be a body politic and corporate by completing the following steps.

1. Application vote. At a duly called special or regular meeting or city election the voters of a municipality may instruct its school board to file an application with the state board. The article to be inserted in the warrant for the meeting shall be in the following form:

"To see if the municipality will vote to instruct its school board to file an application with the State Board of Education for the purpose of forming a school administrative district with the following towns: (naming them)"

2. Initial application. If the article is approved, the school board shall file an initial application with the state board.

A. The application shall include a list of the names of the municipalities that propose to form the school administrative district, an adequate study outlining the desirability and the educational feasibility of the proposed district and whatever other information the state board may deem necessary and proper.

B. In municipalities which have less than 300, but more than 99 resident pupils, the application shall state in detail the educational, economic and geographic reasons for the formation of the proposed school administrative district.

C. An application shall be filed on a form prepared by the state board.

3. Calling of a joint meeting. If the state board finds the proposed school administrative district eligible and approves its initial application, the state board shall notify the municipal officers and the members of the school boards in the municipalities within the proposed district of a date, time and place of a joint meeting of the municipal officers and the school board members from each municipality.

A. The notice shall be in writing and sent by registered or certified mail, return receipt requested, to the addresses as shown on the application.

B. The notice shall be mailed at least 10 days prior to the date set for the meeting.

4. Joint meeting. The following shall govern the joint meeting.

A. At least 1/2 of the total number of municipal officers and school committee members eligible to vote at the joint meeting shall be present to constitute a quorum. If there is no quorum, those present shall report to the state board that a quorum was not present and request the state board to issue a new notice.

B. The school boards and municipal officers of each municipality shall each caucus and select 3 of their members to represent their municipality in the joint meeting. Other members may not vote in the joint meeting.

C. Those with voting rights shall, by majority vote:

(1) Elect a chairman and a secretary;

(2) Determine the total number of school directors to represent each municipality and the method of apportioning voting power among directors consistent with this section and sections 1251 and 1252;

(3) Determine the method of sharing costs under section 1301; and

(4) Determine the date when all the municipalities in the proposed district shall vote on the articles of district formation. The date shall be at least 60 days from the date on which it is determined.

D. The chairman and secretary shall prepare a report describing the number of directors and the representation from each municipality. They shall sign and forward that report to the state board.

5. Calling municipal elections. If the state board finds the report of the joint meeting to be in order, the state board shall order the municipal officers of the municipalities involved to call town meetings or city elections on the date established pursuant to subsection 4, paragraph C, subparagraph (4) for the purpose of voting on the questions required by this subchapter relating to the formation of a school administrative district.

A. Municipalities voting on the questions of district formation under Title 30-A, sections 2528 to 2531-A shall open the polls at 10 a.m. and shall close the polls at 7 p.m.

B. In other municipalities the municipal officers shall direct that the town meeting or city election shall open at 7:30 p.m.

C. All school administrative units shall vote upon the questions of school district information in the same fashion as the units conduct other business at regular or special town meetings, except that school administrative units electing municipal officers by secret ballot may use that method for electing school board directors.

6. Articles to be voted on. The articles to be voted on shall be in the following form.

A. "Article: To see if the municipality will vote to join with the municipalities of (naming them) to form a school administrative district."

B. "Article: To see if the municipality will vote to approve the allocation of representation within the district on the Board of School Directors as recommended by the school committees and municipal officers as follows: The total number of directors shall be (number)"

C. "Article: To choose (number) school director(s) to represent the municipality (or subdistrict) on the board of school directors of the school administrative district."

D. If the state board has authorized an alternative method of sharing costs, the municipality shall vote on the following article.

Article: To see if the costs of operating "School Administrative District (number) shall be shared among the towns of (naming them) in accordance with (per pupil, state valuation, a combination thereof or any other formula authorized by the Legislature)"

E. If coterminous school districts exist or there is outstanding indebtedness for school construction or other school property in any of the municipalities concerned, the following additional article must also be acted on.

"Article: To see if the municipality will vote to authorize the district to assume full responsibility for amortizing the following listed indebtedness now outstanding in the school administrative units planning to form the school administrative district."

(The list must include the name of the obligated school administrative unit, type of obligation, amount unpaid, interest rate and the payment schedule for all outstanding school indebtedness of all the school administrative units comprising the school administrative district under consideration.)

F. If a school administrative district is to be formed under this section, or if the proposed school administrative district plans to contract with a designated private school for the education of its students in grades 9 through 12, voters shall act on the following article.

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

7. Majority vote. Approval of each article shall be by a majority vote of those voting in each municipality on each article.

8. Special provision for community school districts. A community school district may be changed to a school administrative district if each municipality within the district acts affirmatively on the following articles.

A. Existing community school districts may become school administrative districts on approval of the state board and may suspend operation as a community school district if each of the participating municipalities acts affirmatively on an article similar in form to the following, prior to accepting the other articles required in this section.

"Article: To see if the municipality will vote to authorize the (name) Community School District, of which this municipality is a part, to suspend operation as a community school district and organize and operate as a school administrative district in accordance with action on the following article."

B. Municipalities, including all of those participating in an existing community school district, may form a school administrative district on approval of the state board and suspend the operation of the community school district if each of the participating municipalities acts affirmatively on an article similar in form to the following, and acts affirmatively on each of the other articles required in this section.

"Article: To see if the municipality will vote to authorize the suspension of the(name) Community School District in order to organize and operate as a part of a larger school administrative district."

C. In approving one of these articles, all acts of a community school district in contracting their indebtedness shall be ratified and confirmed.

D. The board of directors of the school administrative district shall pay to the trustees of the former community school district within their jurisdiction sufficient funds each year to amortize all outstanding capital indebtedness existing at the time the community school district was suspended.

Sec. 8. 20-A MRSA §1203, as repealed by PL 2007, c. 240, Pt. XXXX, §8, is reenacted to read:

§ 1203. Issuance of a certificate of organization

Certificates of organization shall be issued as follows.

1. Report of vote. The clerks of the municipalities which have voted on the questions regarding the formation of the school administrative district shall report to the state board the results of the vote in a manner determined by the state board.

2. Finding recorded. If the state board finds that a majority of voters in each school administrative unit forming the school administrative district have voted in favor of each of the articles of formation, elected the necessary school directors and taken all other necessary steps in the formation of the proposed school administrative district in conformity with law, the state board shall make and record its finding that the school administrative district is in compliance.

3. School administrative district number assigned. The state board, having made its finding, shall assign a number to each school administrative district in the order of their formation. The official title of the school administrative district shall be "School Administrative District No."

4. Certificate of organization. The state board shall, immediately after making its finding, issue a certificate of organization.

5. Certificate issued, filed and recorded. The original certificate shall be delivered to the school directors on the day that they organize and a copy, attested by the secretary of the state board, shall be filed and recorded in the office of the Secretary of State.

6. Issuance of certificate evidence of organization. The issuance of the certificate shall be conclusive evidence of the lawful organization of the school administrative district.

Sec. 9. 20-A MRSA §1204, as repealed by PL 2007, c. 240, Pt. XXXX, §9, is reenacted to read:

§ 1204. Transfer of property and assets

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

1. Board of directors. The directors of a school administrative district shall determine what school property of the municipalities and former school administrative units in their district are necessary to carry out the functions of their district and:

A. Request in writing that the school board of each school administrative unit or the municipal officers transfer title of their school property and buildings to the school administrative district; or

B. Assume all the duties and liabilities under lease agreements with the Maine School Building Authority if the title is held by the authority.

2. Transfer. The school board or municipal officers shall make the transfer notwithstanding any other provision in the charter of the school administrative unit or municipality or other provision of law.

3. Maine School Building Authority. The Maine School Building Authority, on the completion of all rental payments and other conditions in the lease, shall transfer the title to the school administrative district notwithstanding any provision in the lease or other provision of the law.

4. Financing assumed debts. If a school administrative district has assumed the outstanding indebtedness of a former school administrative unit:

A. The directors of the school administrative district 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 to pay off the indebtedness for which the money was dedicated;

B. The municipality within a school administrative district may, by vote of its voters, raise, appropriate and transfer money to the school administrative district solely for school construction purposes; and

C. A municipality, within a proposed school administrative district that has applied to the state board, may, by vote of its voters, raise and appropriate money for school construction purposes to be transferred to the proposed school administrative district, if and when the district takes over the operation of the public school within its jurisdiction.

The municipality may only withdraw this appropriation:

(1) If the formation of the district fails to be approved by the municipalities within the district or by the state board; or

(2) If 9 months or more after the original vote, the electorate of the town vote to withdraw the appropriation.

Sec. 10. 20-A MRSA §1205, as repealed by PL 2007, c. 240, Pt. XXXX, §10, is reenacted to read:

§ 1205. Operational date and transfer of authority

The operational date and transfer of authority of a school administrative district shall be as follows.

1. Operational date. A school administrative district shall become operative on the date set by the state board as provided in section 1253.

2. Transfer of governing authority. The school directors shall, on the date established in subsection 1, assume responsibility for the management and control of the public schools within the former school administrative units within the district and these former school administrative units on that date have no further responsibility for the operation or control of the public schools within the district.

3. Transfer of school accounts. Notwithstanding section 15004 or any charter of a community school district or coterminous district, the balance remaining in the school accounts of the municipalities, community school district or coterminous school districts within the school administrative district shall be paid to the treasurer of the district in equal monthly installments over the remainder of the fiscal year in which the district is formed.

4. Teacher contracts. The contracts between the municipalities within the district and all teachers shall automatically be assigned to the school administrative district as of the date the district becomes operative. The district shall assign teachers to their duties and make payments upon their contracts.

5. Superintendent contracts. The contracts between the superintendents and municipalities within the district shall be transferred to the school administrative district. The board of directors shall determine the superintendents' duties within the district and pay that proportion of the salaries paid for by the former school administrative units in the district.

Sec. 11. 20-A MRSA §1305-C, as amended by PL 2007, c. 668, §2 and affected by §55, is repealed.

Sec. 12. 20-A MRSA c. 103, sub-c. 6, as repealed by PL 2007, c. 240, Pt. XXXX, §12, is reenacted to read:

SUBCHAPTER 6

REORGANIZATIONS

§ 1401. Additions

A municipality not originally in a school administrative district may be included as follows.

1. Application. The board of directors of the municipality wishing to join with an existing school administrative district may file an application with the commissioner on a form to be provided by him.

A. The commissioner shall study the need for the municipality to join the school administrative district and recommend an agreement by which the municipality may become a member.

B. The agreement may contain a new method of sharing costs among the member municipalities of the district in accordance with section 1301. The article set out in section 1202, subsection 6, paragraph D, authorizing units to vote on alternate methods of sharing costs shall be used if the agreement recommended by the commissioner contains a provision for using one of the alternate methods of sharing costs.

C. This agreement shall be forwarded to the secretary of the school administrative district and to the clerk of the municipality desiring to join the district.

2. First meeting. Within 45 days after receipt of the agreement by the municipal clerk, a regular or special town meeting or city election in the joining municipality, shall vote on the agreement. The vote shall conform to the following procedure.

A. The article voted on shall be:

"Article ..: Shall the municipality vote to join School Administrative District No..... as a participating municipality of the district subject to the terms and conditions of the agreement prepared by the commissioner dated 19..?"

Yes ... No ..."

(A copy of the agreement shall be posted with each warrant.)

B. The election of the directors and the vote on the agreement shall be conducted on the same day. This election shall follow the procedures used for the election of municipal officials by the municipality.

C. The vote on the agreement shall be called using the same methods as the municipality uses in conducting its business at regular or special town meetings or city elections.

D. If the municipality is organized under a special legislative charter, it shall call a referendum following the procedures outlined in its charter.

E. The municipal clerk shall send a certified copy of the results of the vote to the secretary of the school administrative district.

3. Second meeting. If the board of directors finds that the vote was in the affirmative, the board shall call a district referendum within 45 days in accordance with sections 1351 to 1354 to vote on the following article.

Article ..: Shall the district vote to admit the municipality of(name the municipality) into School Administrative District No..... as a participating municipality of the district subject to the terms and conditions of the agreement prepared by the commissioner dated 19.....?"

Yes .. No .."

(A copy of the agreement shall be posted with each warrant.)

A. The municipal clerks within the district shall forward to the commissioner a certified report of the total number of affirmative and negative votes cast on the article.

B. On receipt of the results of the voting from all municipalities, the commissioner shall compute and record the result of the voting.

4. Commissioner finding. If the commissioner finds that a majority of the voters of the district and a majority of the voters of the municipality favor admission of the municipality into the district, he shall make a finding to that effect.

A. The commissioner shall notify by registered mail the clerk of the municipality seeking to join the school administrative district and the secretary of the school administrative district of the results of the vote.

B. If the commissioner's finding is that a majority is for joining, he shall issue an amended certificate for the school administrative district, which shall be filed in the same manner as the original certificate.

5. Certificate. The issuance of an amended certificate shall be conclusive evidence of the admission of that municipality to the school administrative district.

§ 1402. Combining of districts

If one school administrative district wishes to join with another school administrative district, the following procedure shall be used.

1. Application. Each district's board of directors shall file an application with the commissioner on a form to be prepared by him.

A. The commissioner shall receive the applications, make a study of the necessity for combining the districts and recommend an agreement by which the districts may combine.

B. This agreement shall be forwarded to the secretary of each school administrative district.

2. Meeting. Within 45 days after receipt of the agreement each district's board of directors shall call a district meeting in accordance with sections 1351 to 1354 to vote on the following article.

"Article .. To see if School Administrative District No.... will vote to join School Administrative District No.... in a merger to form a larger district subject to the terms and conditions of the agreement prepared by the commissioner dated 19.....

Yes .. No .."

(A copy of the agreement shall be posted with each warrant.)

3. Return. The secretary of each school administrative district shall file a return with the commissioner immediately following the votes in the district on the question of merger.

4. Commissioner's finding. If the commissioner finds that a majority of the voters in each district have voted in favor of the merger, he shall make a finding to the effect.

5. Notice. The commissioner shall notify by registered mail the secretary of each district of the results of the vote.

6. Certificate. If the commissioner's finding is that a majority is for merging, he shall issue a new certificate for the enlarged school administrative district and assign a number. The certificate shall be filed in the same manner as the original certificate.

7. Evidence. The issuance of the certificate by the commissioner shall be conclusive evidence of the merger of the school administrative districts.

§ 1403. Dissolution of a district

1. Ten percent petition. Upon receipt of a petition which seeks to dissolve a school administrative district and establishes a maximum figure for the cost of preparing a dissolution agreement signed by 10% of the number of voters in a municipality who voted at the last gubernatorial election, the municipal officers shall call and hold a special election, in the manner provided for the calling and holding of town meetings or city elections to vote on the dissolution of the school administrative district.

A. At least 10 days before the election, a posted or otherwise advertised public hearing on the petition shall be held by the municipal officers.

B. The petition must be approved by secret ballot by a 2/3 vote of the voters present and voting before it may be presented to the board of directors and the commissioner. Voting in towns shall be conducted in accordance with Title 30-A, sections 2528 and 2529, even if the towns have not accepted the provisions of Title 30-A, section 2528, and voting in cities shall be conducted in accordance with Title 21-A.

2. Form. The question to be voted upon shall be in substantially the following form:

"Article ..: Be it resolved by the residents of the Town of that a petition for dissolution be filed with the directors of School Administrative District No. and with the commissioner, that the dissolution committee be authorized to expend \$..... and that the (municipal officers; i.e. selectmen, town council, etc.) be authorized to issue notes in the name of the Town of or otherwise pledge the credit of the Town of in an amount not to exceed \$..... for this purpose?

Yes No"

3. Notice of vote; finding by commissioner. If residents of a participating municipality vote favorably on a petition for dissolution, the clerk shall immediately give written notices, by registered mail, to the secretary of the school administrative district and the commissioner which shall include:

A. The petition adopted by the voters, including the positive and negative votes cast; and

B. An explanation by the municipal officers, stating to the best of their knowledge, the reason or reasons why the municipality seeks to dissolve the district.

4. Agreement for dissolution; notice; changes in agreement; final agreement.

The agreement for dissolution shall comply with the following.

A. The commissioner, after consultation with the district board of directors, municipal officers of the participating municipalities, and representatives of the group which filed the petition with the municipality, shall direct the municipal officers of each municipality to select representatives to a committee as follows: One member from the municipal officers, the group filing the petition; and one member from the general public; and one member from the group filing the petition if the group is represented in the municipality, otherwise an additional one member of the general public. The commissioner shall also direct the directors representing each municipality to select one member of the board of directors who represents that municipality to serve on the committee. The municipal officer and the member of the board of directors shall serve on the committee only so long as they hold their respective offices. Vacancies will be filled by the municipal officers and board of directors. The chairman of the board of directors shall call a meeting of the committee within 30 days of the filing of the notice of the vote in subsection 3. The chairman of the board shall open the meeting by presiding over the election of a chairman of the committee. The responsibility for the preparation of the agreement shall rest with the committee, subject to the approval of the commissioner. The committee may draw upon the resources of the department for information not readily available at the local level and employ competent advisors within the fiscal limit authorized by the voters. The agreement shall be submitted to the commissioner within 90 days after the committee is formed. Extensions of time may be granted by the commissioner upon the request of the committee.

(1) The agreement shall contain provisions to provide educational services for all students in the district. The agreement shall provide that during the first year following the dissolution, students may attend the school they would have attended if the district had not dissolved. The allowable tuition rate for students sent from one municipality to another in the former school administrative district shall be determined under section 5805, subsection 1, except that it shall not be subject to the state per pupil average limitation in section 5805, subsection 2.

(2) The agreement shall establish the dissolution to take effect at the end of the district's fiscal year.

(3) The agreement shall establish that the dissolution will not cause a need within 5 years from the effective date of dissolution for school construction projects which would be eligible for state funds. This limitation does not apply where a need for school construction existed prior to the effective date of the dissolution or where a need for school construction would have arisen even if the district had not dissolved.

(4) The agreement shall establish how transportation services will be provided.

(5) The agreement shall provide for administration of the new administrative units, which should not include the creation of new supervisory units if at all possible.

(6) The agreement shall make provision for the distribution of financial commitments arising from outstanding bonds, notes and any other contractual obligations that extend beyond the proposed date of dissolution.

(7) The agreement shall make appropriate provision for the distribution of any outstanding financial commitments to the superintendent of the school administrative district.

(8) The agreement shall provide for the continuation and assignment of collective bargaining agreements as they apply to the new or reorganized school administrative unit for the duration of those agreements and shall provide for the continuation of representational rights.

(9) The agreement shall provide for the continuation of continuing contract rights under section 13201, subsection 2.

(10) The agreement shall provide for the disposition of all real and personal property and other monetary assets.

(11) The agreement shall provide for the transition of administration and governance of the schools to properly elected governing bodies of the newly created administrative units and shall provide that the governing bodies shall not be elected simultaneously with the vote on the article to dissolve unless the commissioner finds there are extenuating circumstances which necessitate simultaneous elections.

B. Within 60 days of the receipt of the agreement, the commissioner shall either give it conditional approval or recommend changes. The changes shall be based upon the standards set forth in paragraph A and the commissioner's findings of whether the contents of the plan will provide for appropriate educational and related services to the students of the district and for the orderly transition of assets, governance, and other matters related to the district.

C. If the commissioner gives conditional approval of the agreement, he shall notify the directors and the municipal officers by registered mail of the time and place of a public hearing at least 20 days prior to the date set for the hearing, to discuss the merits of the proposed agreement of dissolution. The chairman of the board of directors will conduct the hearing.

(1) The directors shall post a public notice in each municipality of the time and location of the hearing at least 10 days before the hearing.

(2) Within 30 days following the hearing, the committee shall forward the final agreement to the commissioner.

D. If the commissioner recommends changes he shall:

(1) Send the agreement back to the committee for necessary corrections;

(1-A) Establish a maximum time within which to make the corrections; and

(2) Indicate that the corrected agreement shall be returned to the commissioner for conditional approval before it goes to public hearing as set forth in paragraph C.

5. Date of vote; notice; warrant; polling hours. The date and time for voting shall be established as follows.

A. The commissioner shall determine the date upon which all municipalities shall vote upon the dissolution agreement submitted to them. The election shall be held as soon as practicable and the commissioner shall attempt to set the date of the vote to coincide with a statewide election.

B. At least 35 days before the date set in paragraph A, the board of directors shall give written notice by registered or certified mail to the town or city clerk of each municipality having a right to vote on the dissolution agreement.

C. The town or city clerk shall immediately notify the municipal officers upon receipt of the notice, and the municipal officers shall meet and immediately issue a warrant for a special town meeting or city election, as the case may be, to be held on the date designated by the commissioner. No other date may be used.

D. In the respective warrants, the municipal officers shall direct that the polls shall be open at 10 o'clock in the forenoon and shall remain open until 8 o'clock in the afternoon.

6. Public hearing; voting procedures. The following requirements apply to the voting procedures.

A. At least 10 days before the election, a posted or otherwise advertised public hearing on the dissolution question shall be held by the municipal officers.

B. Except as otherwise provided in this section, the voting at the meetings held in towns shall be conducted in accordance with Title 30-A, sections 2528 and 2529, even if the towns have not accepted the provisions of Title 30-A, section 2528.

C. The voting at the meeting held in cities shall be conducted in accordance with Title 21-A.

7. Article. The article shall be in the following form.

"Article: Shall School Administrative District No. be dissolved subject to the terms and conditions of the dissolution agreement dated 19?"

Yes No"

8. Ballots; posting of agreement. The dissolution agreement need not be printed on the ballot. Copies of the agreement shall be posted in each participating municipality in the same manner as specimen ballots are posted under Title 30-A, section 2528.

9. Restriction on dissolution petitions. No participating municipality within a district may petition for dissolution within 2 years after the date of:

A. A municipal vote on a petition for dissolution if the petition received less than 60% of the votes cast; or

B. A district vote on a dissolution agreement if the agreement received less than 45% of the votes cast.

10. Costs of dissolution agreements. If the school administrative district votes to permit dissolution, then the district shall reimburse the petitioning municipality for the authorized expenses incurred by the dissolution committee. If the district votes not to permit dissolution, then the district will not be required to reimburse the petitioning municipality for those expenses.

11. Determination of vote. The town and city clerks shall, within 24 hours of determination of the result of the vote in their respective municipalities, certify the total number of votes cast in the affirmative and the total number of votes cast in the negative on the article to the board of directors.

12. Determination of results; notification of commissioner; execution of agreement. Determination of results shall comply with the following.

A. Upon receipt of the results of the voting from all municipalities, the board of directors shall meet and shall compute and record the total number of votes cast in the municipalities in the affirmative and in the negative on the dissolution article.

B. The board of directors shall notify the commissioner by registered mail or by hand delivery of the results of the vote.

C. If the commissioner finds that a majority of the voters voting on the article have voted in the affirmative, he shall notify the directors of the district to take steps to dissolve the district in accordance with the terms of the agreement for dissolution.

13. Recount; checklists and ballots; disputed ballots. The following provisions apply to recounts, checklists, ballots and disputed ballots.

A. If, within 7 days of the computation and recording of the results of the voting from all municipalities, the municipal officers of any participating municipality request to the commissioner in writing a recount of the votes in the district, the commissioner shall immediately cause the checklists and all the ballots cast in all of the participating municipalities to be collected and kept at the commissioner's office so they may be recounted by interested municipalities.

B. The town clerks of the participating municipalities are authorized to deliver the checklists and ballots to the commissioner, notwithstanding any other provision of law to the contrary.

C. The commissioner shall resolve any question with regard to disputed ballots.

14. Execution of agreement; certified record; certificate of withdrawal. When the agreement for dissolution has been put in effect by the directors of the school administrative district, the directors shall notify the commissioner by certified mail that the agreement of dissolution has been executed.

A. A complete certified record of the transaction involved in the dissolution shall be filed with the commissioner.

B. The commissioner shall immediately issue a certificate of dissolution to be sent by certified mail for filing with the directors of the school administrative district and shall file a copy in the office of the Secretary of State.

15. Indebtedness; indebtedness defined; indebtedness after dissolution. The following provisions apply to outstanding indebtedness.

A. Whenever a district having outstanding indebtedness dissolves, the district shall remain intact for the purpose of securing and retiring the indebtedness; the dissolution agreement may provide for alternate means for retiring outstanding indebtedness.

B. "Outstanding indebtedness" means bonds or notes for school construction projects issued by the board of directors pursuant to the authorization established under chapter 609 or Title 20, sections 3457 to 3460 or obligations to the Maine School Building Authority pursuant to any contract, lease or agreement made by the board of directors pursuant to approval thereof in a district meeting of the school administrative district, but does not include any indebtedness of any municipality assumed by the school administrative district at the time of formation nor any contract, lease or agreement of the Maine School Building Authority to which by operation of law the school administrative district has become the assignee.

16. General purpose aid. When a school administrative district dissolves, the general purpose aid for the individual municipalities must be computed in accordance with chapter 606-B.

17. Committee recall. If the commissioner determines that the dissolution committee has failed to comply with the requirements of this section, he may authorize the municipal officers and the district's board of directors to recall their representatives and to appoint new representatives to the committee.

§ 1404. Reorganization of a school administrative district as a community school district

1. Petition for reorganization. The residents of a municipality within a school administrative district may petition for dissolution of the school administrative district and reorganization as a community school district, which will operate grades 9 to 12 and any combination of kindergarten through grade 8 in accordance with chapter 105, in the manner authorized by section 1403 for dissolution of a district. The articles to be voted upon shall clearly set forth that a community school district will be formed upon the dissolution of the school administrative district.

2. Vote required. If the commissioner is petitioned pursuant to the authority of subsection 1, the board of directors of the school administrative district shall require the member municipalities of the district to vote on an article which shall be substantially as follows.

"Article : Shall School Administrative District No. be dissolved subject to the terms and conditions of the dissolution agreement dated 19, and the towns of form a community school district which shall be responsible for the operation of grades?"

Yes No"

3. Governing body of community school district. A school administrative district which dissolves and simultaneously forms a new community school district pursuant to this section shall have a single governing body which shall consist of a school committee performing all of the duties of the school committee and the board of trustees set forth in chapter 105.

4. Commissioner. The commissioner shall carry out his duties under sections 1403 and 1602 regarding the dissolution of a school administrative district and the creation of a new community school district, except that the municipal officers and the board of directors shall be responsible for developing a plan to provide for the continuity of the educational program for each municipality to be included within the dissolution agreement.

5. Outstanding indebtedness of the school administrative district and liability of the community school district. If a school administrative district is dissolved and a community school district is formed, the community school district shall become liable for the school administrative district's outstanding indebtedness as defined in section 1403, except as otherwise provided for in subsection 6.

6. Outstanding indebtedness of school administrative district; liability of individual municipalities. If the school administrative district is dissolved and the ensuing community school district does not include all grades kindergarten through 12, each member municipality shall be individually liable for any outstanding indebtedness which the school administrative district had relative to the grades which will be operated exclusively by that municipality or as otherwise provided for in the dissolution agreement.

7. General purpose aid. When a school administrative district dissolves and a new community school district is formed, the general purpose aid for the community school district and the individual municipalities shall be computed in accordance with chapter 605.

§ 1405. Withdrawal of a single municipality from a school administrative district

1. Petition. The residents of a participating municipality within a school administrative district composed of 3 or more municipalities may petition to withdraw from the district in the same manner as they would petition for the dissolution of a school administrative district in accordance with section 1403, except that only a simple majority vote of those casting valid ballots in the municipality is required before the petition may be presented to the board of directors and to the commissioner.

2. Procedure. The steps set forth in section 1403 for dissolution apply to the withdrawal of a member municipality from a school administrative district, except that:

A. The responsible committee for preparing the withdrawal agreement shall be limited to individuals from the municipality;

B. Instead of a district election, a municipal election shall be conducted and a 2/3 vote of those casting valid ballots in the municipality is required before it may withdraw;

C. Wherever there is reference in section 1403 to the term "dissolution," or other terms not consistent with withdrawal, the term "withdrawal" or other appropriate language shall be substituted;

D. All public hearings required under section 1403 shall be conducted by the municipal officers; and

E. A municipality may not petition for withdrawal within 2 years after the date of:

(1) A municipal vote on a petition for withdrawal if the petition received less than 45% of the votes cast; or

(2) A municipal vote on a withdrawal agreement if the agreement received less than 60% of the votes cast.

3. Cost of advisors. The expense of employing competent advisors by the municipality petitioning to withdraw shall be borne by the municipality and the expense of employing competent advisors by the district shall be borne by the district with the municipality bearing its share according to the district's cost-sharing agreement.

4. Commissioner recommended dissolution. The commissioner's responsibilities to initiate dissolution proceedings are as follows.

A. If a member town representing more than 50% of the total population in a district votes to withdraw from the district, then the commissioner shall analyze the educational impact of the town's withdrawal upon the district. The district's board of directors and the municipal officers from the remaining towns shall be consulted.

B. If the commissioner finds that it is impractical for the remaining towns to continue as a district, then he shall initiate the dissolution process set out in section 1403 by having the district submit the following article to the voters at a district meeting called in accordance with sections 1351 to 1354.

"Article: Be it resolved by the voters of School Administrative District No. that a dissolution committee be appointed and authorized to expend \$....., and the directors of School Administrative District No. be authorized to issue notes or otherwise pledge the credit of School Administrative District No. in an amount not to exceed \$..... for this purpose?

Yes No"

C. If the voters approve the article by a majority vote of those voting and present, then the rest of the dissolution process set forth in section 1403 shall apply except:

(1) A 2nd member from the general public shall be selected by the municipal officers to fill the position on the dissolution committee normally held by a representative of the group which would have filed the dissolution petition; and

(2) Costs of preparing a dissolution agreement shall be borne solely by the district.

5. Transfer of property. The district's board of directors may negotiate with the withdrawal committee regarding an equitable division of the district's property between the district and the municipality represented by the committee and transfer title of the property to the municipality following withdrawal. The board of directors shall determine that the district's educational program shall not be disrupted solely because of the transfer of any given property before it may complete the transfer.

§ 1406. Transfer of a municipality from one school administrative district to another

1. Petition to commissioner. The board of directors of 2 school administrative districts may petition the commissioner by joint resolution to permit a municipality to transfer from one school administrative district to another, provided that that municipality is being transferred to a district contiguous to the municipality.

2. Transfer agreement. The boards of directors of the 2 districts and the municipal officers of the municipality involved shall form a committee to prepare a transfer agreement within 60 days after being notified by the commissioner to prepare the agreement. Extensions of time may be granted by the commissioner.

A. The committee shall consider the standards set forth in section 1403, subsection 4, paragraph A in preparing the agreement.

B. The approval process for the agreement shall follow the steps set forth in section 1403, subsection 4 to subsection 16.

C. The following question shall appear on the ballot when the transfer of a municipality is considered.

"Article: Shall School Administrative District No. vote to permit the municipality of to transfer into School Administrative District No. as a participating municipality of that district subject to the terms and conditions of the agreement of transfer approved by the commissioner dated 19

Yes No"

(A copy of the agreement shall be posted with each warrant which directs the citizens to vote upon the question.)

D. The article must be approved by a majority of votes cast in both districts and by a majority of votes cast in the municipality to be transferred before the agreement may take effect.

E. A complete certified record of the transaction involved in the transfer shall be filed with the commissioner. He shall issue immediately a certificate of transfer to the secretary of each school administrative district by registered mail to be filed with the directors of the districts involved and shall file a copy of the certificate of transfer in the office of the Secretary of State.

3. Outstanding indebtedness. Whenever a municipality, or a part of a municipality, is detached from a district having outstanding indebtedness, the municipality or part of a municipality shall remain as part of the district from which it was detached for the purposes of paying its proper portion of such indebtedness until the indebtedness shall be redeemed. The municipality or part of a municipality shall not be part of the district from which it was detached for the purpose of any outstanding indebtedness incurred subsequent to the date of the certificate of transfer.

§ 1407. Closing an elementary school

1. Vote; cost of election. An elementary school in a member municipality of a school administrative district may not be closed pursuant to section 4102, subsection 3 unless the voters in the member town vote on the following article in accordance with the procedure set forth in sections 1351 to 1354.

"Article: Shall the board of directors of School Administrative District No. be authorized to close (name of school)?

Yes No"

(The election must be conducted only within that member municipality, and the costs of the election are borne by the district.)

2. Expense of keeping the school open. If the voters vote to keep the school open, the member municipality is liable for some additional expense for actual local operating costs and transportation operating costs as defined in section 15672. The determination of costs is subject to the approval of the commissioner. The cost to be borne by the town voting to keep an elementary 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 an elementary school remains open contrary to the school administrative district board of director's vote to close that elementary school, as a result of a municipal referendum, the elementary school will be open without any additional cost to the municipality except as described in paragraphs A and B.

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

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

4. Definition of elementary school closing. In this section, an elementary school closing shall be any action or actions by the school administrative district that have the effect of providing no instruction for any students at that elementary school.

5. Method of payment by liable municipality. If a municipality is liable for additional expenses as determined in subsection 1, paragraph B, then the amount of this additional expense shall be subtracted from the school administrative district budget before each member municipality's assessment is computed. This additional expense shall be paid by the member municipality which is liable in equal monthly amounts, unless the school administrative district and that member municipality mutually agree to another method of payment.

§ 1408. State board review of commissioner's decisions

A school administrative unit or other interested parties may request that the state board reconsider decisions made by the commissioner under this subchapter. The state board may have the authority to overturn decisions made by the commissioner. In exercising this power, the state board is limited by this subchapter.

§ 1409. Rules

The state board may adopt rules to carry out this subchapter.

Sec. 13. 20-A MRSA c. 103-A, as amended, is repealed.

Sec. 14. 20-A MRSA §1602, as repealed by PL 2007, c. 240, Pt. XXXX, §14, is reenacted to read:

§ 1602. Formation

A community school district may be formed by the residents of 2 or more municipalities only if the voters of each of those municipalities have voted to create the district.

1. Municipal vote. If the school board of each municipality's school administrative unit votes to join with another municipality to form a community school district, then the municipal officers of each municipality shall call a meeting of the voters of their respective municipality in a manner provided by law for the calling of town meetings. Those meetings shall vote to either favor or oppose articles in substantially the following forms.

A. "Article ...: To see if the municipality of (name) will vote to join with the municipalities of (naming them) to form a community school district to be known as Community School District which shall be responsible for the operation of grades (naming them)."

B. "Article ...: To see if the costs of operating Community School District shall be shared among the municipalities of (naming them) in accordance with (per student, state valuation, a combination thereof or any other formula authorized by the Legislature)."

C. "Article ...: To see if the municipality of (name) will vote to have the community school district's school committee perform the duties of the board of trustees."

2. State board declaration. Each municipal clerk shall file a return of the votes cast at the meeting with the state board. If the state board determines that a majority of those voting in each of the municipalities favored the articles in subsection 1, paragraphs A and B, then the state board shall so declare. With the declaration, the commissioner shall issue to the community school district a certificate of organization which shall be conclusive evidence of its lawful organization. The community school district shall bear the name voted on.

3. Petition to reorganize to rename. The district school committee may petition the state board to change the name of the community school district or to change the number of grades which the community school district is responsible for operating.

A. The state board shall authorize the change if it finds the change to be in the best interest of the community school district.

B. If the State Board of Education authorizes the change, then the governing body of the community school district shall notify the municipal officers in each of the member towns who shall call a meeting of the inhabitants of their respective towns in the manner provided by law for calling of town meetings and those meetings shall vote to favor or oppose articles in substantially the following forms.

(1) "Article ... : To see if the town will vote to authorize the Community School District to change its name to Community School District."

(2) "Article...: To see if the town will vote to authorize the Community School District to be responsible for the operation of grades"

C. The clerk in each of the member towns shall file a return of the votes cast in the town meeting with the state board. If the state board finds that a majority of those voting in each of the towns favor the articles, then the community school district shall be reorganized accordingly.

4. Board to file return. Whenever the community school district is reorganized in the manner authorized in subsection 3 or under section 1751, the board of trustees shall file a return to that effect with the state board. A copy, certified by the commissioner, of the return shall be conclusive evidence of the reorganization of the community school district.

Sec. 15. 20-A MRSA §1604, as repealed by PL 2007, c. 240, Pt. XXXX, §15, is reenacted to read:

§ 1604. Transition to new district

1. Transfer of contracts. At the start of the school year after organization:

A. The contracts between the municipalities within the community school district and all teachers shall automatically be assigned to the community school district and the district shall be responsible for assigning teachers to their duties and making payments on their contract; and

B. The contracts between the superintendents and municipalities within the community school district shall automatically be assigned to the district.

(1) The superintendents' duties with regard to the community school district shall be determined by the district school committee.

(2) The community school district shall thereafter pay the proportionate part of the superintendents' salary that the municipalities were liable to pay.

2. Transfer of assets. Each municipality within the community school district, at the same time, shall transfer to the district:

A. All school supplies and equipment purchased for and in use by the school grades encompassed by the community school district formation; and

B. All real property, as requested by the district school committee, which was formerly used for the school grades encompassed by the district formation. The municipal officers shall execute quitclaim deeds for the transfer of real property requested by the district school committee.

3. Initial budget. The district school committee shall be responsible for preparing and submitting a budget to the voters, as authorized by section 1701, prior to the start of the first year.

4. Operational date. At the start of the school year after organization, the community school district shall become operative and the district school committee shall assume the sole management and control of the operation of all the public schools within the community school district for the authorized grade levels. It shall also adopt bylaws and an official seal.

Sec. 16. 20-A MRSA §1701-C, as amended by PL 2007, c. 668, §26 and affected by §55, is repealed.

Sec. 17. 20-A MRSA §1751, as repealed by PL 2007, c. 240, Pt. XXXX, §17, is reenacted to read:

§ 1751. Additions to, dissolution of and withdrawal from a district

1. Additions. The inhabitants of any territory within any town, not originally in the district, may be included upon vote of all towns concerned in a manner similar to that prescribed for establishing the community school district in section 1602 under such terms and arrangements as may be recommended by the community school district's school committee.

2. Dissolution. The residents of a participating municipality within a community school district may petition and vote to dissolve the district in the same manner as a participating municipality within a school administrative district may petition and vote to dissolve a school administrative district in accordance with section 1403.

3. Withdrawal. The residents of a participating municipality within a community school district may petition and vote to withdraw from the district in the same manner as a participating municipality within a school administrative district may petition to withdraw in accordance with section 1405.

4. Transfer. The school committees of 2 community school districts may permit the transfer of a municipality from one community school district to another in the same manner the boards of directors of 2 school administrative districts may permit a transfer in accordance with section 1406.

5. Closing elementary school. If a community school district includes elementary grades, the closing of an elementary school in a member municipality pursuant to section 4102, subsection 3 must follow the procedures established in section 1407 for closing an elementary school in a member municipality in a school administrative district.

6. Substitution of terms. Whenever there is reference in sections 1403 and 1405 to 1407 to a school administrative district, for purposes of this section, the term "community school district" shall be substituted. Other terms consistent with the intent of subsections 2 to 5, to allow municipalities to withdraw or transfer from or to dissolve the district or keep a municipal elementary school open, may also be substituted as necessary.

Sec. 18. 20-A MRSA §1901, as repealed by PL 2007, c. 240, Pt. XXXX, §18, is reenacted to read:

§ 1901. Formation

1. Commissioner's authority. The commissioner shall adjust the grouping of school administrative units within the State in accordance with this section.

2. Size. A school union shall include not less than 35 nor more than 75 teachers unless the commissioner, upon request of a school board, finds that because of geographic location or other reasons, it is to the advantage of the State and the municipalities that a school union shall include fewer than 35 or more than 75 teachers.

3. Combining unions. On presentation of a written plan of organization which has been approved by the school boards involved, the commissioner may combine 2 or more school unions, or their parts, into a larger school union.

A. The new school union shall be administered by a superintendent of schools and staff assistants, who may be employed by the union committee as provided in section 1051.

B. The commissioner may adjust disbursements for supervision so that there will be no loss in state support because of the reorganization.

4. Exception for existing school unions with over 35 teachers. Existing school unions employing over 35 teachers shall not be regrouped unless the proposed regrouping has been approved by a majority of the school board members in the school administrative units involved.

5. School administrative units with more than 75 teachers. A school administrative unit with more than 75 teachers may employ a superintendent of schools without uniting with other school administrative units for this purpose.

A. The school administrative unit shall elect a superintendent in the same manner and for the same term, fix the salary and discharge the superintendent under the same conditions as superintendents employed under sections 1051 to 1054.

B. Annually and whenever a new superintendent is elected, the chairman and secretary of the school board shall certify to the commissioner, on the prescribed forms, all facts relative to the employment of the superintendent, including the amount of the salary to be paid.

6. Removal. If a school administrative unit having more than 75 teachers removes itself from an existing school union composed of not more than 2 units, the remaining unit shall, with the consent of its school board and the commissioner, be treated as though it had more than 75 teachers, provided that the remaining unit has more than 40 teachers.

7. Exception for remote administrative units. If the commissioner finds that a school administrative unit is remotely situated and that it is not practicable to combine it with other school administrative units for the purpose of employing a superintendent, the commissioner may place at the service of the school board of that unit the general agent for the schooling of the children in unorganized townships, or any other agent of the commissioner.

A. That agent shall, when assigned, serve as the superintendent of the school administrative unit. The agent shall have the same powers and shall perform the same service as superintendents of schools of municipalities. The agent's visits to the schools of the school administrative unit shall be at intervals as directed by the commissioner.

B. The treasurer of the school administrative unit shall pay to the agent a sum agreed upon by the agent and that school administrative unit. In case of dispute, the commissioner shall determine the amount to be paid.

8. Exception for school administrative unit with fewer than 35 teachers. If, because of geographic location or other circumstances, it is not practicable to combine a school administrative unit or a school union employing less than 35 teachers with other school administrative units to form a school union, the school board may provide supervisory service, when approved by the commissioner. The school administrative unit or school union may provide for supervisory services by:

A. Employing a qualified person to serve as superintendent and as a supervising principal;

B. Contracting with another school administrative unit or school union for supervisory services; or

C. Employing a qualified agent to fulfill supervisory needs.

Sec. 19. 20-A MRSA §2101, sub-§1, as repealed by PL 2007, c. 240, Pt. XXXX, §19, is reenacted to read:

1. Establishment. If a union school is desired, the municipalities shall apply to the commissioner. The commissioner shall prepare an agreement setting out the terms and conditions under which a union school may operate.

Sec. 20. 20-A MRSA §2101, sub-§2, as repealed by PL 2007, c. 240, Pt. XXXX, §20, is reenacted to read:

2. Approval. Before a union school may operate, each municipality shall approve the agreement by an affirmative vote acting under an appropriate article at a regular or special town meeting or city election.

Sec. 21. 20-A MRSA §2303, as amended by PL 2007, c. 668, §27, is repealed.

Sec. 22. 20-A MRSA §2307, as amended by PL 2007, c. 668, §28 and affected by §55, is repealed.

Sec. 23. 20-A MRSA c. 114, as amended, is repealed.

Sec. 24. 20-A MRSA §4102, last ¶, as enacted by PL 2007, c. 240, Pt. XXXX, §23, is repealed.

Sec. 25. 20-A MRSA §5203, sub-§4, as repealed and replaced by PL 2007, c. 668, §29, is repealed and the following enacted in its place:

4. Exception; no elementary school. Elementary students whose parents reside in a unit that neither maintains an elementary school nor contracts for elementary school privileges may attend a private school approved for tuition purposes or a public school in an adjoining unit in the State or in a neighboring state that accepts tuition students. The school administrative unit where the students' parents reside shall pay tuition and transportation.

Sec. 26. 20-A MRSA §5204, sub-§4, as amended by PL 2007, c. 668, §30, is further amended to read:

4. No secondary school. Secondary students whose parents reside in a unit that neither maintains a secondary school nor contracts for secondary school privileges pursuant to chapter 115 shall pay the tuition, in accordance with chapter 219, at the public school or the approved private school of the parent's choice at which the student is accepted may attend a private school approved for tuition purposes, a public school in an adjoining unit that accepts tuition students or a school approved for tuition purposes in another state or country upon permission of officials of the receiving school. The school administrative unit where the students' parents reside shall pay tuition in the amount up to the legal tuition rate as defined in chapter 219.

Sec. 27. 20-A MRSA §6051, sub-§1, ¶C, as amended by PL 2007, c. 668, §31, is further amended to read:

C. A determination of whether or not the annual financial ~~data~~report submitted to the department is correct;

Sec. 28. 20-A MRSA §6051, sub-§4, as amended by PL 2007, c. 668, §32, is further amended to read:

4. Initial report to commissioner. On or before ~~November~~December 1st, the school board shall provide the commissioner with:

C. Written determination of whether or not proper budgetary controls are in place;

D. A written determination of whether or not the annual financial ~~data~~report submitted to the department is correct, including submission of an audited reconciliation of the annual financial ~~data~~report prepared and certified by the auditor; and

E. A written determination as to whether the school administrative unit has complied with applicable provisions of the Essential Programs and Services Funding Act.

Sec. 29. 20-A MRSA §6051, sub-§6, as amended by PL 2007, c. 668, §33, is further amended to read:

6. Report to commissioner. Within 69 months after the end of the audit period, the school board shall provide the commissioner with:

- A. A copy of the audit report;
- B. Accountability of all revenues and expenditures;
- C. Written assurance that the audit has been conducted in accordance with applicable state and federal laws relating to financial and compliance audits; and
- D. Any other information that the commissioner may require.

Sec. 30. 20-A MRSA §15672, sub-§25-A, as enacted by PL 2007, c. 668, §35, is repealed.

Sec. 31. 20-A MRSA §15680, sub-§1, ¶A, as amended by PL 2007, c. 240, Pt. XXXX, §25, is further 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. 32. 20-A MRSA §15680, sub-§1, ¶B, as amended by PL 2007, c. 240, Pt. XXXX, §26, is further 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. 33. 20-A MRSA §15681-A, sub-§2-A, as enacted by PL 2007, c. 240, Pt. XXXX, §27, is repealed.

Sec. 34. 20-A MRSA §15681-A, sub-§3-A, as enacted by PL 2007, c. 240, Pt. XXXX, §28, is repealed.

Sec. 35. 20-A MRSA §15688, sub-§2, as amended by PL 2007, c. 240, Pt. XXXX, §29, is further amended to read:

2. Member municipalities in school administrative districts or community school districts; total costs. For each municipality that is a member of a school administrative district,or community school district ~~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. 36. 20-A MRSA §15688, sub-§3-A, as amended by PL 2007, c. 668, §§36 and 37, is further 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. ~~Except as provided in paragraph B-1, for~~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.

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).

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. 37. 20-A MRSA §15689, sub-§1-B, as enacted by PL 2007, c. 668, §38, is repealed.

Sec. 38. 20-A MRSA §15690, sub-§1, ¶B, as amended by PL 2007, c. 240, Pt. XXXX, §31, 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. 39. 20-A MRSA §15691-A, as enacted by PL 2007, c. 240, Pt. XXXX, §32, is repealed.

Sec. 40. 20-A MRSA §15696, as amended by PL 2007, c. 668, §§39 to 41 and c. 695, Pt. A, §23, is repealed.

Sec. 41. 20-A MRSA §15755, as repealed by PL 2007, c. 240, Pt. XXXX, §34, is reenacted to read:

§ 15755. Entitlement

The State's school administrative units and municipalities are entitled to the appropriations required by this chapter.

Sec. 42. 20-A MRSA §15904, sub-§3-A, as enacted by PL 2007, c. 240, Pt. XXXX, §35, is repealed.

Sec. 43. PL 2007, c. 240, Pt. XXXX, §36, as amended by PL 2007, c. 668, §§42 to 48, is repealed.

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. Each school administrative unit shall file with the Commissioner of Education:

A. By August 31, 2007, 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;

B. By August 31, 2007, 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; or

C. 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 an alternative organizational structure in accordance with this paragraph.

(1) A school administrative unit may be designated by the commissioner as part of an alternative organizational structure. The commissioner may designate a school administrative unit as part of an alternative organizational structure if the commissioner finds that the proposed organizational structure will result in:

(a) Consolidation of system administration;

(b) Consolidation of special education administration, transportation administration and administration of business functions including accounting, reporting, payroll, financial management, purchasing insurance and auditing;

(c) Adoption of a core curriculum and procedures for standardized testing and assessment aligned with the system of learning results established in Title 20-A, section 6209; and

(d) Adoption of consistent school policies and school calendars and a plan for consistent collective bargaining agreements.

A plan for an alternative organizational structure may include a collaborative agreement under chapter 114 and must include an interlocal agreement under Title 30-A, chapter 115. The plan must include procedures for conducting a kindergarten through grade 12 budget approval pursuant to subparagraph (2).

(2) The budget procedures of members of an alternative organizational structure must conform to the format and referendum procedures set forth in sections 1485 and 1486 for regional school units except for the time limits pursuant to section 1486, subsection 2. The budget validation referendum for all members of the alternative organizational structure must be conducted on the same day.

3. Reorganization planning committee. Municipalities that intend to engage in planning and negotiation to create a regional school unit or alternative organizational structure 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. Each school administrative unit shall submit to the Commissioner of Education:

A. By December 1, 2007, its proposed reorganization plan for consolidation into a regional school unit that meets the requirements of subsections 5 and 6;

B. By December 1, 2007, its proposed plans for reducing the cost of services within the school administrative unit to meet the requirements of subsection 6, paragraph F; or

C. Its proposed plan for an alternative organizational structure that is consistent with the notice of intent filed and approved pursuant to subsection 2, paragraph C, subparagraph 1 and meets the requirements of subsections 5 and 6.

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.

A-1. Notwithstanding the requirements of paragraph A, the Commissioner of Education may authorize a unit to serve 1,200 or fewer students but not less than 1,000 students in an isolated rural community if the proposed regional school unit meets at least one of the following criteria:

(1) The proposed regional school unit comprises 3 or more school administrative units in existence prior to July 1, 2008;

(2) The member municipalities of the proposed regional school unit are surrounded by approved regional school units and there are no other school administrative units available to join the proposed regional school unit; or

(3) The member municipalities of the proposed regional school unit include 2 or more isolated small schools that are eligible for an isolated small school adjustment pursuant to the Maine Revised Statutes, Title 20-A, section 15683, subsection 1, paragraph F.

In cases where the Commissioner of Education denies the creation of a regional school unit that serves 1,200 or fewer students but not less than 1,000 students, the school administrative units may appeal to the State Board of Education.

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 may be held on June 10, 2008 or on or before January 30, 2009 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 Department of Education shall pay the cost of a referendum conducted before or on January 30, 2009.

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 January 30, 2009 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 January 30, 2009 and to implement that plan by July 1, 2009.

12. Reformulation of SAD as RSU. Not later than February 27, 2009, the Commissioner of Education shall notify any school administrative district that has not voted to form a regional school unit on or before January 30, 2009 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 must be changed to a regional school unit upon notice to the State Board of Education and may accomplish this without dissolving the school administrative district. A school administrative district that is changed to a regional school unit without dissolving the school administrative district is subject to Title 20-A, chapter 103-A and any other provision of law relating to regional school units but for all other legal purposes:

A. Remains the same legal entity, including but not limited to with respect to all contracts, duties, liabilities, rights and privileges of the school administrative district and any debt, whether bond, note or other evidence of indebtedness, issued by or for the school administrative district; and

B. In order to avoid any costs associated with changing its name, may keep and continue to use the same name, including the term "school administrative district," for official purposes, including, but not limited to, in all its contracts and debt instruments. Keeping its name for official purposes does not in any manner affect its status as a regional school unit for purposes of Title 20-A, chapter 103-A and any other provision of law relating to regional school units.

Sec. 44. PL 2007, c. 240, Pt. XXXX, §37 is repealed.

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. 45. PL 2007, c. 240, Pt. XXXX, §38 is repealed.

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. 46. PL 2007, c. 240, Pt. XXXX, §39 is repealed.

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. 47. PL 2007, c. 240, Pt. XXXX, §40 is repealed.

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. 48. PL 2007, c. 240, Pt. XXXX, §41 is repealed.

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. 49. PL 2007, c. 240, Pt. XXXX, §42, as amended by PL 2007, c. 668, §49, is repealed.

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 January 15, 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. 50. PL 2007, c. 240, Pt. XXXX, §43, as amended by PL 2007, c. 668, §§50 to 53, is repealed.

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~~January 31, 2009. 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 January 31, 2009, 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 January 31, 2009, 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 January 31, 2009, 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 January 31, 2009, 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, except as required by subparagraph (8), 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), except that the petition for an election 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.

(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 August 31, 2012.

(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 August 31, 2012.

(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.

(g) Until August 31, 2012, existing bargaining agents shall continue to represent the bargaining units that they represented on the day prior to the operational date of the regional school unit. If necessary, each bargaining agent and the regional school unit must negotiate an interim collective bargaining agreement to expire on August 31, 2012.

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. 51. PL 2007, c. 240, Pt. XXXX, §44 is repealed.

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. 52. PL 2007, c. 240, Pt. XXXX, §45 is repealed.

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. 53. PL 2007, c. 240, Pt. XXXX, §46 is repealed.

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. 54. PL 2007, c. 240, Pt. XXXX, §47 is repealed.

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. 55. PL 2007, c. 240, Pt. XXXX, §48 is repealed.

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.

Sec. 56. PL 2007, c. 668, §54 is repealed.

Sec. 54. Report; review of reorganization timelines. The Department of Education shall conduct a review of the results of referenda votes on proposed reorganization plans and the status of the reorganization of school administrative units as regional school units consistent with the July 1, 2009 implementation timeline established in Public Law 2007, chapter 240. In conducting the review, the department shall:

- A. Collect data and analyze the results of the referenda votes on proposed reorganization plans;
- B. Review the extent to which each school administrative unit that did not meet the timelines for reorganization did not submit or did not receive approval for an alternative plan that meets the requirements of Public Law 2007, chapter 240, Part XXXX, section 36, subsection 6, paragraph A due to the fact that the proposal would not meet the 1,200 minimum student enrollment requirement for an alternative plan;
- C. Recommend appropriate criteria or flexibility for the granting of a waiver when extenuating circumstances preclude a school administrative unit from meeting the requirements of Public Law 2007, chapter 240, Part XXXX, section 36 by July 1, 2009, including the authority necessary to extend timelines and waive penalties if an approved plan of a reorganization planning committee cannot be implemented by July 1, 2009 and the authority necessary to approve an alternative plan submitted by a reorganization planning committee that meets the requirements of the law, except for the 1,200 minimum student number; and
- D. Recommend clarifications to the law to specify the effect of the failure of voters in an individual school administrative unit to approve a reorganization plan that results in the school administrative unit not meeting the implementation timeline for reorganization.

The Commissioner of Education shall report the findings and recommendations of this review, including suggested legislation, to the joint standing committee of the Legislature having jurisdiction over education matters by December 15, 2008. In its recommendations, the department shall include proposals to extend or modify the current implementation timelines and penalties. Following receipt and review of the report, the joint standing committee of the Legislature having jurisdiction over education matters may submit a bill to the First Regular Session of the 124th Legislature that extends or modifies the current implementation timelines and penalties.

Sec. 57. PL 2007, c. 668, §55 is repealed.

Sec. 55. Retroactivity. Those sections of this Act that amend the Maine Revised Statutes, Title 20-A, sections 1305-C, 1701-C and 2307 apply retroactively to January 1, 2008 as long as the retroactive application does not affect the validity of any budget meeting or budget validation referendum called or conducted in accordance with prior law before the effective date of this Act.

Sec. 58. Report; additional necessary legislation. No later than March 30, 2009, 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 repeal the provisions governing the reorganization of school administrative units into regional school units found in Public Law 2007, chapter 240, Part XXXX and as those provisions were affected by Public Law 2007, chapter 668. The proposed legislation must also address any obsolete cross-references in the law. Following receipt and review of the initial report, the Joint Standing Committee on Education and Cultural Affairs shall submit a bill to the First Regular Session of the 124th Legislature.

Emergency clause. In view of the emergency cited in the preamble, this legislation takes effect when approved.

SUMMARY

This bill repeals the laws related to the consolidation of school administrative units that were enacted by the First Regular Session of the 123rd Legislature in Public Law 2007, chapter 240, Part XXXX and repeals changes made by Public Law 2007, chapter 668. The bill also restores the laws that were amended or repealed to accommodate the consolidation.