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EDUCATION AND CULTURAL AFFAIRS

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
129TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT " " to H.P. 1366, L.D. 1918, Bill, "An Act To Amend the Laws Regarding the Reserve Funds of Certain School Organizational Structures"

Amend the bill by striking out everything after the enacting clause and inserting the following:

'Sec. 1. 20-A MRSa §1312, sub-§1, as amended by PL 1989, c. 132, §2, is further amended to read:

1. Establishment. A school administrative district may establish a reserve fund for school construction projects, financing the acquisition or reconstruction of a specific or type of capital improvement or, financing the acquisition of a specific item or type of capital equipment or any of the expenditures listed under section 1485, subsection 1, paragraph A by including a request in the district budget, which must include a description of the purpose of the reserve fund, and receiving voter approval. The board of directors shall be is the trustee of the reserve fund. The reserve fund shall must be deposited or invested by the treasurer under the direction of the board.

Sec. 2. 20-A MRSa §1312, sub-§3, as enacted by PL 1981, c. 693, §§5 and 8, is amended to read:

3. Expending moneys money from reserve funds. The board of directors may expend the sum in the reserve fund when authorized to do so by a vote of the district at a district meeting or a district budget meeting, when an article for that purpose is set out in the warrant calling the meeting, except that the board of directors may expend funds from a reserve fund by a vote of the board in accordance with the procedure in subsection 4:

A. In the event of an emergency that requires the immediate expenditure of funds and when, in responding to the emergency, a vote of the district for permission is cost-prohibitive; or

B. When such an expenditure is required by law.

COMMITTEE AMENDMENT

1 **Sec. 3. 20-A MRSA §1312, sub-§4** is enacted to read:

2 **4. Procedure for expending money from reserve funds by vote of board.** The
3 procedure for the board of directors to expend funds from the reserve fund pursuant to
4 subsection 3, paragraph A or B must be as follows.

5 A. The board of directors shall provide public notice of the regular or special
6 meeting at which the vote to expend funds from the reserve fund will be taken.

7 B. The board of directors shall hold a public hearing prior to the vote to expend
8 funds from the reserve fund.

9 C. The vote to expend funds from the reserve fund must be recorded in the meeting
10 minutes of the board of directors.

11 **Sec. 4. 20-A MRSA §1491, sub-§1**, as enacted by PL 2007, c. 240, Pt. XXXX,
12 §13, is amended to read:

13 **1. Establishment.** A regional school unit may establish a reserve fund for school
14 construction projects, financing the acquisition or reconstruction of a specific or type of
15 capital improvement or, financing the acquisition of a specific item or type of capital
16 equipment or any of the expenditures listed under section 1485, subsection 1, paragraph
17 A by including a request in the regional school unit budget, which must include a
18 description of the purpose of the reserve fund, and receiving voter approval. The regional
19 school unit board is the trustee of the reserve fund. The reserve fund must be deposited or
20 invested by the treasurer of the regional school unit under the direction of the regional
21 school unit board.

22 **Sec. 5. 20-A MRSA §1491, sub-§3**, as enacted by PL 2007, c. 240, Pt. XXXX,
23 §13, is amended to read:

24 **3. Expending money from reserve funds.** The regional school unit board may
25 expend the sum in the reserve fund when authorized to do so by a vote of the regional
26 school unit at a regional school unit meeting or a regional school unit budget meeting
27 when an article for that purpose is set out in the warrant calling the meeting-, except that
28 the regional school unit board may expend funds from a reserve fund by a vote of the
29 board in accordance with the procedure in subsection 4:

30 A. In the event of an emergency that requires the immediate expenditure of funds
31 and when, in responding to the emergency, a vote of the regional school unit for
32 permission is cost-prohibitive; or

33 B. When such an expenditure is required by law.

34 **Sec. 6. 20-A MRSA §1491, sub-§4** is enacted to read:

35 **4. Procedure for expending money from reserve funds by vote of board.** The
36 procedure for the regional school unit board to expend funds from the reserve fund
37 pursuant to subsection 3, paragraph A or B must be as follows.

38 A. The regional school unit board shall provide public notice of the regular or special
39 meeting at which the vote to expend funds from the reserve fund will be taken.

40 B. The regional school unit board shall hold a public hearing prior to the vote to
41 expend funds from the reserve fund.

1 C. The vote to expend funds from the reserve fund must be recorded in the meeting
2 minutes of the regional school unit board.

3 **Sec. 7. 20-A MRSA §1706, sub-§1**, as enacted by PL 1989, c. 132, §3, is
4 amended to read:

5 **1. Establishment.** A community school district may establish a reserve fund for
6 school construction projects, financing the acquisition or reconstruction of a specific or
7 type of capital improvement ~~or~~, financing the acquisition of a specific item or type of
8 capital equipment or any of the expenditures listed under section 1485, subsection 1,
9 paragraph A by including a request in the district budget, which must include a
10 description of the purpose of the reserve fund, and receiving voter approval.

11 The district school committee ~~shall be~~ is the trustee of the reserve fund. The reserve fund
12 ~~shall~~ must be deposited or invested by the treasurer under the direction of the school
13 committee.

14 **Sec. 8. 20-A MRSA §1706, sub-§3**, as enacted by PL 1989, c. 132, §3, is
15 amended to read:

16 **3. Expending money from reserve funds.** The district school committee may
17 expend the sum in the reserve fund when authorized to do so by a vote of the district at a
18 district meeting or a district budget meeting, when an article for that purpose is set out in
19 the warrant calling the meeting, ~~except that the district school committee may expend~~
20 funds from a reserve fund by a vote of the committee in accordance with the procedure in
21 subsection 4:

22 A. In the event of an emergency that requires the immediate expenditure of funds
23 and when, in responding to the emergency, a vote of the district for permission is
24 cost-prohibitive; or

25 B. When the expenditure is required by law.

26 **Sec. 9. 20-A MRSA §1706, sub-§4** is enacted to read:

27 **4. Procedure for expending money from reserve funds by vote of committee.**
28 The procedure for the district school committee to expend funds from the reserve fund
29 pursuant to subsection 3, paragraph A or B must be as follows.

30 A. The district school committee shall provide public notice of the regular or special
31 meeting at which the vote to expend funds from the reserve fund will be taken.

32 B. The district school committee shall hold a public hearing prior to the vote to
33 expend funds from the reserve fund.

34 C. The vote to expend funds from the reserve fund must be recorded in the meeting
35 minutes of the district school committee.

36 **Sec. 10. 20-A MRSA §8468, sub-§1**, as corrected by RR 1991, c. 2, §64 and
37 amended by PL 2003, c. 545, §5, is further amended to read:

38 **1. Establishment.** A career and technical education region may establish a reserve
39 fund for a school construction project, the acquisition or reconstruction of a specific item
40 or type of capital improvement ~~or~~, the acquisition of a specific item or type of capital
41 equipment or any of the expenditures listed under section 1485, subsection 1, paragraph

1 A by establishing such a reserve fund including a request in the region budget, which
2 must include a description of the purpose of the reserve fund, pursuant to this chapter.
3 The cooperative board is the trustee of such a reserve fund.

4 **Sec. 11. 20-A MRSA §8468, sub-§3**, as amended by PL 1991, c. 518, §32, is
5 further amended to read:

6 **3. Expending money from a reserve fund funds.** The cooperative board may
7 expend a sum in a reserve fund if permitted by the conditions of any indebtedness secured
8 by the reserve fund and if approved in the region budget. A separate article for that
9 purpose must be included in the region budget proposal. The cooperative board may
10 expend funds from the reserve fund by a vote of the board without the expenditure's
11 having to be included in the region budget or region budget proposal in accordance with
12 the procedure in subsection 4:

13 A. In the event of an emergency that requires the immediate expenditure of funds
14 and when, in responding to the emergency, a vote of the region for permission is cost-
15 prohibitive; or

16 B. When the expenditure is required by law.

17 **Sec. 12. 20-A MRSA §8468, sub-§4** is enacted to read:

18 **4. Procedure for expending money from reserve funds by vote of board.** The
19 procedure for the cooperative board to expend funds from the reserve fund pursuant to
20 subsection 3, paragraph A or B must be as follows.

21 A. The cooperative board shall provide public notice of the regular or special
22 meeting at which the vote to expend funds from the reserve fund will be taken.

23 B. The cooperative board shall hold a public hearing prior to the vote to expend
24 funds from the reserve fund.

25 C. The vote to expend funds from the reserve fund must be recorded in the meeting
26 minutes of the cooperative board.'

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

29 SUMMARY

30 This amendment adds to what a reserve fund may be established for to include
31 providing funds for expenditures such as regular instruction, special education, career and
32 technical education, other instruction including summer school and extracurricular
33 instruction, student and staff support, system administration, school administration,
34 transportation and buses, facilities maintenance, debt service and other commitments and
35 other expenditures, including school lunch.

36 The amendment also adds that, in order to expend funds by a vote of the boards or
37 committees of school administrative districts, regional school units, community school
38 districts and career and technical education regions, the respective boards and committees
39 must provide public notice of the meeting at which the vote to expend funds from the

COMMITTEE AMENDMENT “ ” to H.P. 1366, L.D. 1918

1 reserve fund will be taken and hold a public hearing prior to the vote to expend funds
2 from the reserve fund.

3

FISCAL NOTE REQUIRED

4

(See attached)