

**LD 176 (HP 129)**  
**Private and Special Law**

**An Act to Facilitate a Grade 9 to 16 School Project**

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

**Sec. 1. Authorization.** The voters of School Administrative District No. 4, School Administrative District No. 41, and School Administrative District No. 46 are authorized to form a community school district under this Act. The community school district is authorized to be formed only if the voters of each of these three school administrative districts approve the formation. The voters of Regional School Unit No. 64 are also authorized to participate in forming the community school district under this Act. If formed, the new community school district will be authorized to construct a regional high school integrated with career and technology education and post-secondary educational opportunities, which the State Board of Education has placed on the 2017-2018 approved projects list.

**Sec. 2. Organization; name.** The community school district will be a school administrative unit responsible for grades 9 through 12 under this Act and the general laws. The community school district will operate a career and technical education center that is designated to serve the students within its geographic region and that will replace the career and technical center operated by School Administrative District No. 46. The community school district will be a body politic and corporate and a quasi-municipal corporation within the meaning and for purposes of Title 30-A, section 5701. Upon formation, its members will consist of School Administrative District No. 4, School Administrative District No. 41, and School Administrative District No. 46. Regional School Unit No. 64 will also be a member if approved by its voters. The community school district territory will include the territories of its member school administrative units. The initial name of the community school district will be "MidMaine Community School District." At the first budget meeting of the community school district, the voters may select a different name under a warrant article provided for that purpose.

**Sec. 3. Continuity for approved regional high school.** Until the formation of the community school district under this Act, School Administrative District No. 4, School Administrative District No. 41, and School Administrative District No. 46 are authorized to form a joint regional high school committee from their school board memberships and through that committee are authorized to take all necessary or appropriate steps for the regional high school that the State Board of Education has placed on the 2017-2018 approved projects list to receive concept approval. Notwithstanding any law to the contrary, the State Board of Education is authorized to accept their joint applications and grant project approvals, including site approval and concept approval, but will give no further approvals after concept approval unless the formation of the community school

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district and the regional high school project are approved pursuant to this Act. Regional School Unit No. 64 is similarly authorized, but not required, to participate in the joint regional high school if approved by the State Board of Education.

**Sec. 4. Referendum.** The district may be formed by favorable referendum votes in School Administrative District No. 4, School Administrative District No. 41, and School Administrative District No. 46 as provided in this Act. Any of the school boards of the three required school administrative districts may decide not to hold the referendum under this Act, in which case the community school district under this Act will not be formed. The referendums to approve the formation of the community school district and the construction financing of the new regional high school must occur on the same day mutually selected by the three required school administrative district school boards or if not agreed on the first statewide election day occurring at least 90 days following State Board of Education concept approval of the regional high school project.

The ballot questions for the formation of the new community school district and the financing of the new regional high school construction must be substantially in the following forms, with such changes in form and content as the school boards of the proposed member school administrative units determine the development of the project requires:

- A. Do you favor [name of school administrative unit voting] joining a new community school district for the operation of grades 9 through 12, and accepting the provisions of “An Act to Facilitate a Grade 9 to 16 School Project,” enacted by the Legislature”?
  
- B. Do you favor authorizing the school board of the new community school district to issue bonds or notes in the name of the community school district in an amount not to exceed \$\_\_\_\_\_ to construct and equip a regional high school with programming for both regular secondary education and career and technical education and with opportunities for post-secondary instruction, all on a single campus to be located at \_\_\_\_\_?

Question B will be accompanied by disclosure information required by law for school construction projects. Questions A and B may be modified or accompanied by other information that the school boards provide to accurately inform the voters. Unless Questions A and B are both approved by a majority of the voters voting in each of the three required school administrative districts, the community school district is not formed.

The school board of Regional School Unit No. 64 may also elect to call a similar referendum on the same day for purposes of joining the community school district under this Act. If its voters approve both questions, then the community school district will also include Regional School Unit No. 64. If the school board of Regional School Unit

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No. 64 elects not to participate in the referendum, or if it participates and its voters do not approve both questions, then it is not a member of the community school district.

After the referendum, the secretary of each school administrative unit shall file a return of voting with the Commissioner of Education. The Commissioner will determine if each of the school administrative units by majority vote have approved both questions and shall notify the three required school administrative districts, and if applicable Regional School Unit No. 64, whether the community school district is formed and whether the membership also includes Regional School Unit No. 64.

**Sec. 5. Certificate of organization; transitional period.** The Commissioner shall issue to the member school administrative units a dated certificate of organization for the community school district setting forth the community school district's official name, listing its member school administrative units, and describing the composition and voting method of its school board and the cost sharing formula under this Act. The certificate of organization will be conclusive evidence of the community school district's lawful organization. The Commissioner shall report the results to the State Board of Education. The effective date of organization will be the date the Commissioner issues the certificate, provided that the community district's first operational year will commence on July 1 following the date of the referendum by at least 210 days. The period between the date of organization and commencement of the first operational year will be a transitional period under this Act.

**Sec. 6. Governance; board composition and apportionment.** The school board of the community school district is a district school committee for all purposes of, and has the duties and authority of a community school district board of trustees under, the general laws. The members of the school board shall be selected by appointment from the school boards of the member school administrative units, as provided by the general laws for a community school district that does not include kindergarten and grades one to 12. The school board of the community school district shall consist of 12 members if Regional School Unit No. 64 is a member, and nine members if it is not. As an appointed board, representation and voting power shall be equally divided among the member school administrative units. The voters of the community school district may authorize a change in the number of school board members appointed by each member school administrative unit, provided that the number of board members each member school administrative unit appoints and the voting power of each school board member shall remain equal.

**Sec. 7. Continued existence.** Upon the commencement of the community school district's first operational year, the member school administrative units will continue to exist for all purposes of grades kindergarten through 8, and for pre-kindergarten if applicable, notwithstanding the provisions of the Maine Revised Statutes, Title 20-A, sections 1258 and 1479. The State Board shall issue the member school administrative

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units amended certificates of organization effective July 1<sup>st</sup> of the first operational year of the community school district which will be conclusive evidence of their continued lawful organization, as amended. The member school administrative units will continue to receive all federal and state school subsidy and general purpose aid for grades 9 through 12 until the first operational year of the community school district. Commencing in the first operational year of the community school district, the member school administrative units will continue to receive that subsidy and aid for grades kindergarten through 8, and for pre-kindergarten if applicable. The member school administrative units as reorganized will be governed by all of the applicable provisions of Title 20-A to the extent not in conflict with this Act.

**Sec. 8. Community school district during transitional period.** Upon receipt of the certificate of organization of the community school district, the school board of each member school administrative unit shall appoint from its membership three individuals to serve on the school board of the community school district. The superintendent of AOS 94 will call the first meeting of the school board and supervise the oaths of office and the election of a board chair. The school board will elect a chair at its first meeting. The school board shall select a superintendent who may be the superintendent of one of the member school administrative units to serve as the superintendent of the community school district during the transitional period. During the transitional period the school board will prepare and submit the community school district's budget for the first operational year in accordance with this Act and the general law. During the transitional period, the school board shall have all other authority reasonably necessary to prepare for the first operational year and for the design, construction, and financing of the new regional high school, including hiring a superintendent and other employees, adopting school policies, negotiating contracts and collective bargaining agreements for the first operational year and thereafter, opening accounts, contracting for services and property including a site for the new regional high school, closing on real estate for the new regional high school, issuing bonds or notes for the regional high school project or for other capital or working capital needs, and other authority necessary for those purposes and provided to school committees of fully operational community school districts by the general laws.

**Sec. 9. School district members during transitional period.** The member school administrative units shall be responsible for the costs of the community school district incurred for the transitional period in an amount reasonably determined by the school board of the community school district in proportion to their secondary pupil counts on their state funding reports for that fiscal year. They shall fund an account opened by the community school district account for those costs. They shall continue to operate their secondary schools during the transitional period.

**Sec. 10. Educational continuity and coordination.** The community school district and its member school administrative units will consult and work together to achieve

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educational continuity and coordinate the transfer of responsibility for grades 9 through 12 to the community school district for its first operational year and thereafter.

**Sec. 11. Transfer of assets; assumption of liabilities.** All real property that is currently owned or used for grades 9 to 12 will remain property of the member school administrative units, for their use or disposition under this Act and the general laws. The community school district will lease the high schools and the technical center from the member school administrative units from year-to-year for \$1.00 annual rent plus all building costs, including insurance, utilities, maintenance, and repairs, together with an amount equal to the annual debt and HVAC lease payments on the high schools, if any, during the period commencing on July 1 of the first operational year and ending upon substantial completion and occupancy of the regional high school. For any buildings used by the high school grades and by other grades or for other purposes, the costs will be allocated equitably for purposes of this section. As of July 1 of the first operational year, the member school administrative units shall reach an equitable agreement with the community school district to share transportation costs and services. Where appropriate, this will include transfer of title to an equitable portion of a member school administrative unit's bus fleet to the community school district for its use and disposition, subject to outstanding financing, which the community school district shall pay on transferred buses when or before due. As of July 1 of the first operational year, the member school administrative units will also transfer by bill of sale or other instrument ownership of all other equipment, furnishings and other tangible and intangible assets, including accounts receivable but excluding cash, purchased or primarily used by or attributable to high schools or the career and technical center, subject to outstanding financing, which the community school district shall pay when or before due. The member school administrative units will also equitably share with the community school district the costs and benefits of service contracts with vendors.

**Sec. 12. Allocation of existing fund balances; accrued liabilities.** As of July 1 of the first operational year, and no later than that date, each member school administrative unit shall transfer an estimated share of all funds, allocable in proportion to its number of secondary students and the total number of students in that member school administrative unit on its state funding report for that year, which amount, however, will be reduced if necessary so as not to be more than an amount that is equitably proportionate to the amounts transferred by the other member school administrative units to the community school district based upon their respective numbers of secondary and total students. These amounts will be adjusted by additional payments or refunds, based upon completed audits of the member school administrative units for the fiscal year prior to the first operational year, and within 45 days of the completion of those audits. The community school district will pay the accrued summer salary and benefit liabilities of the member school administrative units attributable to their secondary teachers and staff for the fiscal year prior to the first operational year and payable in the first operational year.

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**Sec. 13. Transfer of teachers and employees; system administrators.** As of July 1 of the first operational year, the provisions of section 1464(4) of Title 20-A apply with respect to those teachers and employees of the member school administrative units that work primarily at the secondary level or on behalf of secondary students. All teachers and employees of the member school administrative units that work primarily at the elementary school level or on behalf of elementary students will retain their same employment status with the member school administrative unit employing them. It is the intent of this Act to neither decrease nor increase the rights and benefits of transferred employees or the employer. The community school district school board and the school boards of the member school administrative units will negotiate in good faith the transfer or sharing of system administrator contracts whose terms expire after the first operational date.

**Sec. 14. Collective bargaining.** As of July 1 of the first operational year, the provisions of section 1464 of Title 20-A apply and the school board of the community school district will be the employer with respect to the teachers and employees transferred to the community school district under the provisions of this Act. Each school board of the respective member school administrative units will continue to be the employer under its collective bargaining agreements with respect to the teachers and employees that have not transferred to the community school district under this Act.

**Sec. 15. Dispute resolution.** The Commissioner of Education or the Commissioner's designee is authorized to settle any disputes that may arise between the community school district and its member school administrative units or between the member school administrative units under sections 9 through 12 of this Act and with respect to administrator contracts under section 13 of this Act. The Commissioner's decision is final and binding.

**Sec. 16. Borrowing; Lease purchasing.** The school board shall have the authority to borrow for capital project and capital equipment needs that a community school district board of trustees has under the general laws in effect on the effective date of this Act to borrow for minor capital costs, provided that voter approval of a warrant article authorizing the school board to issue bonds or notes for that purpose is required at a district meeting or district referendum of the community district called and held as provided by this Act; and further provided that the voter approval shall be by referendum if the principal amount to be borrowed added to the then remaining total principal of all outstanding bonds or notes for capital project and capital equipment needs that the voters approved at district meeting exceeds 0.25% of the adjusted state valuation of the municipalities of the member school administrative units. Notwithstanding the foregoing, borrowing for school construction projects shall be approved by referendum to the extent required by the general laws. Bonds and notes shall be general obligations of the community school district secured by its full faith and credit. Bonds or notes issued during the transitional period shall be payable after the start of the first operational year.

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The school board shall also have the authority to borrow for operating costs and to enter into lease purchase agreements to the extent and for the purposes permitted under the general laws.

**Sec. 17. Budget format and procedure.** The format and procedure for the school operating budget to be presented to the voters of the community school district shall be the cost center summary budget format and the budget validation referendum procedure of the general laws, or as may be otherwise provided by the general laws. The format and procedure may be changed to the extent, if any, permitted or required by the general laws.

**Sec. 18. Cost sharing; assessment.** The community school district will apportion amounts to the municipalities of its member school administrative units for the required local contribution based on chapter 606-B of Title 20-A and amounts to the municipalities of its member school administrative units for additional local funds based on the number of resident secondary pupils in each municipality as calculated under chapter 606-B. The community school district will assess and collect school taxes from the municipalities of its member school administrative units as provided by the general laws. The procedure of the general laws shall be followed for amendment of the cost sharing, and for purposes of that procedure the manner of adoption of the original formula to be followed for amendment of the cost sharing shall be deemed to be the referendum procedure used to form the community school district.

**Sec. 19. District meeting procedures.** The community school district shall conduct budget meetings and special budget meetings in the manner provided under the general laws. The community school district may conduct other district meetings in the manner provided for budget meetings under the general laws.

**Sec. 20. District referendum procedures.** The community school district shall conduct referendums for purposes described in this Act or the general laws in the manner provided for regional school units under chapter 103-A of Title 20-A of the general laws.

**Sec. 21. Controlling Law.** If any provision of this Act shall conflict with chapter 105 of Title 20-A, then the provisions of this Act will control. For purposes of applying a provision of chapter 105 of Title 20-A to the community school district's member school administrative units, "school board" may be substituted for "municipal officers" and "school administrative district" or "regional school unit" may be substituted for "municipality" or "town," when the substitution is necessary to fulfill the purpose and intent of that provision and does not conflict with this Act.

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**Bill Summary**

This Act authorizes the voters of School Administrative District No. 4, School Administrative District No. 41, and School Administrative District No. 46 to proceed with a regional high school project that the State Board of Education has placed on the approved projects list, by forming a community school district for the new high school. The Act also authorizes the voters of Regional School Unit No. 64 to participate and join the community school district.