



# 128th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2017

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Legislative Document

No. 738

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H.P. 518

House of Representatives, March 2, 2017

### **An Act To Make the School Budgeting Process a Biennial Process**

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Reference to the Committee on Education and Cultural Affairs suggested and ordered printed.

A handwritten signature in cursive script that reads "Robert B. Hunt".

ROBERT B. HUNT  
Clerk

Presented by Representative FULLER of Lewiston.

Cosponsored by Representatives: ACKLEY of Monmouth, DAUGHTRY of Brunswick,  
HANDY of Lewiston, LUCHINI of Ellsworth.

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

2 **Sec. 1. 20-A MRSA §1306, sub-§3**, as enacted by PL 1981, c. 693, §§5 and 8, is  
3 amended to read:

4 **3. Effective date.** A change in budget format ~~shall~~ must be voted on at least 90 days  
5 prior to the budget year ~~for~~ in which that change ~~is to be~~ becomes effective.

6 **Sec. 2. 20-A MRSA §1310, sub-§1**, as amended by PL 1983, c. 485, §14, is  
7 further amended to read:

8 **1. Warrant.** In accordance with the budget approved by the voters at ~~an annual~~ a  
9 budget meeting and in substantially the same form as the warrant of the Treasurer of State  
10 for taxes, the board of directors shall issue its warrants to the assessors of each member  
11 municipality requiring them to assess upon the taxable estates within the municipality an  
12 amount ~~which~~ that is that municipality's share of the district's costs.

13 **Sec. 3. 20-A MRSA §1482-B**, as enacted by PL 2007, c. 668, §18, is amended to  
14 read:

15 **§1482-B. Budget meeting procedures**

16 The following procedures must be used at a regional school unit ~~annual~~ budget  
17 meeting. Prior to the 2019-20 fiscal year, the budget meeting must be an annual meeting  
18 for an annual budget. Beginning with the budget biennium that includes fiscal years  
19 2019-20 and 2020-21 and each biennium thereafter, the budget meeting is a biennial  
20 budget meeting to establish a biennial budget.

21 **1. Election of moderator.** The secretary of the regional school unit board or the  
22 chair of the regional school unit board when the secretary is absent shall open the ~~annual~~  
23 budget meeting and call for the election of a moderator, receive and count votes for the  
24 moderator and swear in the moderator.

25 **2. Appointing ballot clerks.** The moderator shall appoint from the certified voting  
26 list the ballot clerks necessary for the efficient operation of the ~~annual~~ budget meeting.  
27 The moderator shall swear in the clerks.

28 **3. Budget consideration.** The superintendent of the regional school unit shall  
29 thoroughly explain the budget. The voters must have an opportunity to be heard. The  
30 voters may change only items dealing with:

- 31 A. The expenses necessary to operate the regional school unit;  
32 B. Appropriations for the reserve fund; and  
33 C. Appropriations for the contingency fund and school construction purposes.

34 **4. Approval.** A majority vote of those voters present and voting is necessary for the  
35 approval of the ~~annual~~ budget.

1           **5. Voting lists.** Registration of voters for the ~~annual~~ budget meeting must be held in  
2 each member municipality in accordance with Title 21-A, section 122.

3           A. Prior to the ~~annual~~ budget meeting, the municipal clerks of the member  
4 municipalities shall supply to the regional school unit board certified corrected copies  
5 of the registered voters of their municipalities.

6           B. The certified corrected copies under paragraph A must be used in determining the  
7 voters who are eligible to vote at the ~~annual~~ budget meeting.

8           **6. Written ballot.** An article must be voted on by written ballot if at least 10% of  
9 those present and voting vote to use a written ballot. The department, in consultation  
10 with municipal and school officials and with organizations representing those officials,  
11 shall develop and distribute guidelines to assist regional school unit ~~annual~~ budget  
12 meeting moderators in explaining and implementing this subsection.

13           **Sec. 4. 20-A MRSA §1483**, as enacted by PL 2007, c. 240, Pt. XXXX, §13, is  
14 amended to read:

15           **§1483. Regional school unit budget; budget formats**

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

18           A. The regional school unit's total cost of funding public education from  
19 kindergarten to grade 12, its non-state-funded debt service, if any, and any additional  
20 expenditures authorized by law;

21           B. ~~A~~ Prior to the 2019-20 fiscal year, a summary of anticipated revenues and  
22 estimated school expenditures for the fiscal year. Beginning with the budget  
23 biennium that includes fiscal years 2019-20 and 2020-21 and each biennium  
24 thereafter, a summary of anticipated revenues and estimated school expenditures for  
25 the 2 fiscal years of the biennium; and

26           C. The following statement, including the estimated dollar amount of state retirement  
27 payments: "This budget does not include the estimated amount of \$..... in employer  
28 share of teacher retirement costs that is paid directly by the State."

29           **Sec. 5. 20-A MRSA §1485, first ¶**, as enacted by PL 2007, c. 240, Pt. XXXX,  
30 §13, is amended to read:

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

33           **Sec. 6. 20-A MRSA §1485, sub-§1, ¶¶D and E**, as enacted by PL 2007, c. 240,  
34 Pt. XXXX, §13, are amended to read:

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

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

4 **Sec. 7. 20-A MRSA §1485, sub-§1, ¶F**, as enacted by PL 2007, c. 240, Pt.  
5 XXXX, §13, is repealed.

6 **Sec. 8. 20-A MRSA §1485, sub-§4**, as enacted by PL 2007, c. 240, Pt. XXXX,  
7 §13, is amended to read:

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

12 **Sec. 9. 20-A MRSA §1486, first ¶**, as enacted by PL 2007, c. 240, Pt. XXXX,  
13 §13, is amended to read:

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

16 **Sec. 10. 20-A MRSA §1486, sub-§1**, as amended by PL 2011, c. 171, §3, is  
17 further amended to read:

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

23 Every ~~3~~ 4 years, the voters in a regional school unit shall consider continued use of the  
24 budget validation referendum process. The warrant at the budget validation referendum  
25 in the ~~3rd~~ 4th year following adoption or continuation of the referendum process must  
26 include an article by which the voters of the school administrative unit may indicate  
27 whether they wish to continue the process for another ~~3~~ 4 years. The warrant for the  
28 referendum to validate the ~~fiscal year 2010-11 budget years 2019-20 and 2020-21 budgets~~  
29 is deemed the ~~3rd~~ 4th-year warrant. A vote to continue retains the process for ~~3~~ 4  
30 additional years. A vote to discontinue the process ends its use beginning with the  
31 following budget year and prohibits its reconsideration for at least ~~3~~ 4 years.

32 An article to consider reinstatement of the budget validation referendum process may be  
33 placed on a warrant for a referendum vote by either a majority vote of the regional school  
34 unit board or a written petition filed with the regional school unit board by at least 10% of  
35 the number of voters voting in the last gubernatorial election in the municipalities in the  
36 school administrative unit. The regional school unit board shall place the article on the  
37 next scheduled warrant or an earlier one if determined appropriate by the regional school  
38 unit board. If adopted by the voters, the budget validation referendum process takes  
39 effect beginning in the next budget year or the following budget year if the adoption  
40 occurs less than 90 days before the start of the next budget year. Once approved by the  
41 voters, the budget validation referendum process may not be changed for ~~3~~ 4 years.

1           **Sec. 11. 20-A MRSA §1486, sub-§4**, as amended by PL 2011, c. 678, Pt. B, §1,  
2 is further amended to read:

3           **4. Failure to approve budget.** If the voters do not validate the budget approved in  
4 the regional school unit budget meeting at the budget validation referendum vote, the  
5 regional school unit board shall hold another regional school unit budget meeting in  
6 accordance with this section and section 1485 at least 10 days but no longer than 45 days  
7 after the referendum to vote on a budget approved by the regional school unit board. The  
8 budget approved at the regional school unit budget meeting must be submitted to the  
9 voters for validation at referendum in accordance with this section. The process must be  
10 repeated until a budget is approved at a regional school unit budget meeting and validated  
11 at referendum. If a budget is not approved and validated before July 1st of ~~each~~ the year,  
12 section 1487 applies.

13           **Sec. 12. 20-A MRSA §1489, sub-§1**, as enacted by PL 2007, c. 240, Pt. XXXX,  
14 §13, is amended to read:

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

20           **Sec. 13. 20-A MRSA §1701, sub-§3**, as amended by PL 2005, c. 2, Pt. D, §11  
21 and affected by §§72 and 74 and c. 12, Pt. WW, §18, is further amended to read:

22           **3. Time and place.** The district school committee shall call ~~an annual~~ a budget  
23 meeting on or before June 30th at an hour and in a location within the community school  
24 district it designates, except that the school committee may delay the ~~annual~~ budget  
25 meeting to a date after July 1st in accordance with section 15693, subsection 2, paragraph  
26 C. Prior to the 2019-20 fiscal year, the budget meeting must be an annual meeting for an  
27 annual budget. Beginning with the budget biennium that includes fiscal years 2019-20  
28 and 2020-21 and each biennium thereafter, the budget meeting is a biennial budget  
29 meeting to establish a biennial budget.

30           **Sec. 14. 20-A MRSA §15003**, as enacted by PL 1981, c. 693, §§5 and 8, is  
31 amended to read:

32           **§15003. School fiscal year**

33           Notwithstanding any statute or charter provision to the contrary, a school  
34 administrative unit shall ~~annually~~ adopt a school budget ~~for a period on a fiscal year~~  
35 basis, each fiscal year beginning on July 1st and ending on June 30th. Prior to the  
36 2019-20 fiscal year, the school budget must be a one-year budget. Beginning with the  
37 budget biennium that includes fiscal years 2019-20 and 2020-21 and each biennium  
38 thereafter, the school budget must be a biennial budget.

39           **Sec. 15. 20-A MRSA §15689-B, sub-§2**, as enacted by PL 2005, c. 2, Pt. D, §61  
40 and affected by §§72 and 74 and c. 12, Pt. WW, §18, is amended to read:

1           **2. Notification of allocation; commissioner's duty; superintendent's duty.** ~~The~~  
2 Within 5 days after the biennial state budget is enacted, the commissioner shall notify  
3 each school board of the estimated amount to be allocated to the school administrative  
4 unit over the course of each year of the biennium. In addition, the following provisions  
5 apply to notification of allocation by the commissioner and each superintendent.

6           A. The commissioner shall annually, prior to February 1st, notify each school board  
7 of the estimated amount to be allocated to the school administrative unit.

8           B. Each superintendent shall report to the municipal officers whenever the school  
9 administrative unit is notified of the allocation or a change is made in the allocation  
10 resulting from an adjustment.

11           **Sec. 16. 20-A MRSA §15691, sub-§2,** as enacted by PL 2005, c. 2, Pt. D, §62  
12 and affected by §§72 and 74 and c. 12, Pt. WW, §18, is amended to read:

13           **2. Municipal treasurer's payment schedule.** The treasurer of the member  
14 municipality, after being presented with the assessment schedule, shall in each fiscal year  
15 forward 1/12 of that member municipality's annual share to the treasurer of the district on  
16 or before the 20th day of each month of the that fiscal year beginning in July.

17           **Sec. 17. 20-A MRSA §15693, sub-§1, ¶B,** as enacted by PL 2005, c. 2, Pt. D,  
18 §62 and affected by §§72 and 74 and c. 12, Pt. WW, §18, is amended to read:

19           B. ~~A~~ Prior to the 2019-20 fiscal year, a summary of anticipated revenues and  
20 estimated school expenditures for the fiscal year. Beginning with the budget  
21 biennium that includes fiscal years 2019-20 and 2020-21 and each biennium  
22 thereafter, a summary of anticipated revenues and estimated school expenditures for  
23 the 2 years of the biennium; and

24           **Sec. 18. 20-A MRSA §15693, sub-§2, ¶¶B and C,** as enacted by PL 2005, c. 2,  
25 Pt. D, §62 and affected by §§72 and 74 and c. 12, Pt. WW, §18, are amended to read:

26           B. Notwithstanding a provision of law or charter to the contrary, school  
27 administrative units may adopt ~~an annual~~ a budget prior to June 30th. The school  
28 budgets for career and technical education regions must be adopted on or before  
29 August 1st.

30           C. Notwithstanding any municipal charter provision, ordinance or other law to the  
31 contrary, if the level of state subsidy ~~for the next school year~~ is not finalized in  
32 accordance with this chapter before June 1st, the school board may delay a school  
33 budget meeting otherwise required to be held before July 1st to a date after July 1st.  
34 If a school board elects to delay a school budget meeting under this paragraph, the  
35 meeting must be held and the budget approved within 30 days of the date the  
36 commissioner notifies the school board of the amount allocated to the school  
37 administrative unit under section 15689-B. When a school budget meeting is delayed  
38 under this paragraph, the school administrative unit may continue operation of the  
39 unit at the same budget levels as were approved for the previous year. Continued  
40 operation under the budget for the previous year is limited to the time between July  
41 1st and the date the new budget goes into effect.

