



127th MAINE LEGISLATURE

FIRST REGULAR SESSION-2015

Legislative Document

No. 1266

H.P. 866

House of Representatives, April 7, 2015

An Act To Expand and Improve State-approved School Construction Projects

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 STEARNS of Guilford.
Cosponsored by Senator LANGLEY of Hancock and
Representatives: FOLEY of Wells, GILLWAY of Searsport, HUBBELL of Bar Harbor,
MALABY of Hancock, TURNER of Burlington.

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

2 **Sec. 1. 20-A MRSA §15907**, as amended by PL 1997, c. 787, §10, is further
3 amended by adding a new first paragraph to read:

4 For a school construction project approved in accordance with this chapter for a
5 school year beginning on or after July 1, 2016, the amounts of the state and local shares
6 for the approved major capital costs of the school construction project must be based on
7 the same percentages as the state and the school administrative unit's contributions to the
8 total cost of education as determined by the school administrative unit's state share
9 percentage as calculated in accordance with section 15672, subsection 31 for the initial
10 fiscal year specified in the school administrative unit's debt retirement schedule.

11 **Sec. 2. 20-A MRSA §15919** is enacted to read:

12 **§15919. Reserve fund**

13 **1. Establishment.** For a school construction project approved for state funding in
14 accordance with this chapter for school years beginning on or after July 1, 2016, a school
15 administrative unit shall establish a reserve fund to finance the acquisition or
16 reconstruction of a specific item or type of capital improvement or to finance the
17 acquisition of a specific item or type of capital equipment by including a request in the
18 school administrative unit budget and receiving voter approval as set forth in section
19 15904. The school board is the trustee of the reserve fund. The reserve fund must be
20 deposited or invested by the treasurer of the school administrative unit under the direction
21 of the school board.

22 **2. Deposit or investment.** A school administrative unit that receives a state share
23 percentage of 20% or more for a school construction project approved for state funding in
24 accordance with this chapter shall annually deposit or invest at least 2% of the total
25 current value of the school administrative unit facility in the reserve fund established
26 pursuant to subsection 1. Any funds expended by the school administrative unit in the
27 prior fiscal year from the school administrative unit's regular budget for capital
28 improvements to the facility must be counted toward the 2% deposit or investment in the
29 reserve fund. All school administrative unit funds deposited or invested under this
30 subsection, including reserve funds and trust funds to the extent not prohibited by the
31 terms of the instrument or vote creating the fund, must be deposited or invested by the
32 treasurer of the school administrative unit under the direction of the school board
33 according to the requirements for the deposit or investment of municipal funds contained
34 in Title 30-A, chapter 223, subchapter 3-A.

35 **3. Expending money from reserve fund.** The school board may expend the sum in
36 the reserve fund established pursuant to subsection 1 when authorized to do so by a vote
37 of the school administrative unit at a school administrative unit meeting or a school
38 administrative unit budget meeting when an article for that purpose is set out in the
39 warrant calling the meeting.

40 **Sec. 3. Rules.** The Department of Education and the State Board of Education
41 shall amend the rules adopted pursuant to the Maine Revised Statutes, Title 20-A, chapter

1 609 in order to align the school construction rules with the school construction funding
2 provisions amended by this Act. Rules adopted pursuant to this section are major
3 substantive rules pursuant to Title 5, chapter 375, subchapter 2-A.

4

SUMMARY

5 This bill amends the education statutes related to the method by which the
6 Department of Education determines the state and local shares of the major capital costs
7 for a state-approved school construction project. The bill requires that the amount of the
8 state and local shares for the approved major capital costs of the school construction
9 project approved for a school year beginning on or after July 1, 2016 must be based on
10 the same percentages as the state and the school administrative unit's contributions to the
11 total cost of education as determined by the school administrative unit's state share
12 percentage as calculated in accordance with the Maine Revised Statutes, Title 20-A,
13 section 15672, subsection 31. The bill also requires that a school administrative unit
14 establish a reserve fund to finance capital improvement or capital equipment for a state-
15 approved school construction project approved for a school year beginning on or after
16 July 1, 2016.