**Town of Cape Elizabeth**

**Process for Town Council’s Review and a Public Vote on the School Board’s Recommended Budget**

***Summary of Key Charter Provisions***

*The school board annually approves a budget and forwards it to the town manager by April 15th. The town manager forwards the budget to the town council with the budgets from the other departments. The council reviews the budget and may change the amount for any department prior to setting a public hearing. Following the public hearing, the council approves a gross appropriation for every department. The amount may be different from the amount set for public hearing.*

***Summary of Key Statute Provisions***

*The town council is the legislative body for approving the school budget and determining the amount that is submitted for a citizen vote on budget validation. The council must approve a budget using the budget format in the Maine statute. Once the council votes on the budget, the budget validation vote must be held within 30 days. The school department shall provide a summary of the amounts for the total school budget to be available for voter information. Every three years citizens vote on whether or not to continue the budget validation process or to revert to the council having the final vote on the overall budget.*

**Key Provisions in the Council-Manager Charter of the Town of Cape Elizabeth**

The Cape Elizabeth School Board shall provide a recommended school budget for each fiscal year . The school board shall have all the powers conferred and shall perform all of the duties imposed by law upon school boards in regard to the care and management of the public schools of the town, except as otherwise provided in the charter. The school board shall provide budget estimates in detail of the several sums required during the budget year for the support of public schools and at least 75 days before the beginning of the budget year shall furnish copies of such estimates to the town manager (Charter, Article IV, Sec. 5.)

The town manager, at least 75 days prior to the beginning of each budget year shall submit to the council a budget and an explanatory message. The budget authority of the council shall be limited to the final determination of the total appropriation made to each of the several offices, departments and agencies of the town. (Charter, Article V. Sec. 2.)

The budget for all departments shall include all proposed expenditures, and the council shall make a gross appropriation for each department for the ensuing year. The gross expenditure for each department shall not be exceeded except by consent of the council. (Charter, Article V. Sec. 6.)

The proposed budget shall be reviewed by the council which shall approve the budget with or without amendments. The complete town budget as approved by the council shall be printed and distributed and the council shall fix the time and place for holding a public hearing on the budget, and shall give a public notice of such hearing as provided in this charter. The council shall then review the budget, and adopt the same, with amendments, if any. (Charter, Article V. Sec. 4.)

**Key Provisions in Maine Statutes Regarding Adoption of School Budgets in Charter Municipalities**

In charter municipalities the budget meeting required by section 1485, subsection 3 must be a meeting of the municipal council or other municipal legislative body established by the charter with authority to approve the budget. (Title 20A-§2307 para. 1)

In charter municipalities where the municipal charter confers upon a municipal council or other municipal legislative body the authority to determine the total amount of the school budget and confers upon the school committee or school board the authority to direct the expenditure of those funds for school purposes, the municipal council or other municipal legislative body shall determine the total amount of the school budget to be submitted to a budget validation referendum and the school committee or school board shall determine the allocation of the approved school budget among the cost centers of the cost center summary budget format. . (Title 20A-§2307 para. 2

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

**1.** **Cost center summary budget format.**  The regional school unit budget must consist of the following cost centers and supporting data:

A. Expenditures:

(1) Regular instruction;

(2) Special education;

(3) Career and technical education;

(4) Other instruction, including summer school and extracurricular instruction;

(5) Student and staff support;

(6) System administration;

(7) School administration;

(8) Transportation and buses;

(9) Facilities maintenance;

(10) Debt service and other commitments; and

(11) All other expenditures, including school lunch;

B. Revenue sources:

(1) Total education costs appropriated pursuant to section 15690, subsection 1;

(2) Non-state-funded debt service costs approved pursuant to section 15690, subsection 2, if any; and

(3) Additional local funds, if any, approved pursuant to section 15690, subsection 3, paragraph C. A summary of total regional school unit expenditures;

D. Other optional local data showing the amount and percentage of changes proposed in the state allocation, the local share and the total regional school unit budget and related information determined appropriate by the regional school unit board of directors;  E. Data similar to that provided in paragraph A for a high-performing regional school unit of a size and demographic profile determined by the department that is comparable to the regional school unit; and

F. For fiscal year 2008-09, data documenting state and local savings from the reorganization to regional school units and the resulting mill rate reduction for each municipality.

**2.** **Budget warrant.**  The warrant articles presented to the legislative body of the regional school unit for approval of the regional school unit budget must correspond to the categories of the cost center summary budget described in subsection 1. In addition to expenditure and revenue cost center summary totals, the regional school unit board shall provide to voters a reasonably detailed breakdown for each major subcategory within each budget category. The department shall adopt routine technical rules pursuant to Title 5, chapter 375, subchapter 2-A defining and establishing the content of those informational subcategories.

**3.** **Budget approval.**  A regional school unit's cost center summary budget must be approved at a regional school unit budget meeting and by a budget validation referendum as provided in section 1486.

**4.** **Transfer between budget cost center lines.**  During the year for which the budget is approved using the cost center summary budget format, the regional school unit board may transfer an amount not exceeding 5% of the total appropriation for any cost center to another cost center or among other cost centers without voter approval. (Title 20-A §1485)

**§1486. Budget validation referendum**

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

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

Every 3 years, the voters in a regional school unit shall consider continued use of the budget validation referendum process. The warrant at the budget validation referendum in the 3rd year following adoption or continuation of the referendum process must include an article by which the voters of the school administrative unit may indicate whether they wish to continue the process for another 3 years. The warrant for the referendum to validate the fiscal year 2010-11 budget is deemed the 3rd-year warrant. A vote to continue retains the process for 3 additional years. A vote to discontinue the process ends its use beginning with the following budget year and prohibits its reconsideration for at least 3 years.

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

**2.** **Validation referendum procedures.**  The budget validation referendum must be held on or before the 30th calendar day following the scheduled date of the regional school unit budget meeting. The referendum may not be held on a Sunday or legal holiday. The vote at referendum is for the purpose of approving or rejecting the total regional school unit budget approved at the regional school unit budget meeting. The regional school unit board shall provide printed information to be displayed at polling places to assist voters in voting. That information is limited to the total amounts proposed by the regional school unit board for each cost center summary budget category article, the amount approved at the regional school unit budget meeting, a summary of the total authorized expenditures and, if applicable because of action on an article under section 15690, subsection 3, paragraph A, a statement that the amount approved at the regional school unit budget meeting includes locally raised funds that exceed the maximum state and local spending target pursuant to section 15671-A, subsection 5.

[ 2009, c. 571, Pt. QQQ, §2 (AMD) .]

**3.** **Budget validation referendum voting.**  The method of calling and voting at a budget validation referendum is as provided in sections 1502 and 1503, except as otherwise provided in this subsection or as is inconsistent with other requirements of this section.

A. A public hearing is not required before the vote.

B. [2007, c. 668, §20 (RP).]

C. The warrant and absentee ballots must be delivered to the municipal clerk no later than the day after the date of the regional school unit budget meeting. [2007, c. 668, §20 (AMD).]

D. Absentee ballots received by the municipal clerk may not be processed or counted unless received on the day after the conclusion of the regional school unit budget meeting and before the close of the polls.

E. All envelopes containing absentee ballots received before the day after the conclusion of the regional school unit budget meeting or after the close of the polls must be marked "rejected" by the municipal clerk.

F. The article to be voted on must be in the following form:

(1) "Do you favor approving the (name of regional school unit) budget for the upcoming school year that was adopted at the latest (name of regional school unit) budget meeting?

Yes No"

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