

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
118TH LEGISLATURE
FIRST REGULAR SESSION

HOUSE AMENDMENT "T" to COMMITTEE AMENDMENT "A" to H.P. 832, L.D. 1137, Bill, "An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds, and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 1998 and June 30, 1999"

Amend the amendment by inserting after the title the following:

'Amend the bill by striking out the title and substituting the following:

'An Act Making Certain Appropriations and Allocations for the Fiscal Years Ending June 30, 1998 and June 30, 1999, and Changing Certain Provisions of the Law for the Fiscal Years Ending June 30, 1998 and June 30, 1999'

Further amend the amendment by striking everything after the title and inserting in its place the following:

'Further amend the bill by striking out all of the emergency preamble and replacing it with the following:

'Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the 90-day period may not terminate until after the beginning of the next fiscal year; and

Whereas, the Legislature is required to enact legislation by March 15th to appropriate funds for educating Maine students; and

Whereas, certain obligations and expenses incident to the operation of Maine schools will become due and payable immediately; and

HOUSE AMENDMENT

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

Further amend the bill by striking everything after the enacting clause and before the emergency clause and inserting in its place the following:

PART A

Sec. A-1. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.

1997-98 1998-99

EDUCATION, DEPARTMENT OF

General Purpose Aid for Local Schools

All Other \$558,348,870 \$575,009,349

Provides funds that reflect a 2% increase in fiscal year 1997-98 and a 3% increase in fiscal year 1998-99 and that provide a hardship cushion of \$2,999,599 in each year of the biennium.

PART B

Sec. B-1. Basic elementary and secondary per pupil operating rates, per pupil guarantee and statewide factor. The basic elementary per pupil operating rate for fiscal year 1997-98 is \$2,922 and the basic secondary per pupil operating rate for fiscal year 1997-98 is \$3,746. The foundation per pupil operating rate for fiscal year 1997-98 is \$3,158. The per pupil guarantee for fiscal year 1997-98 is \$3,548. The statewide factor for fiscal year 1997-98 is 0.55301.

Sec. B-2. Basic education allocation. The basic allocation of state and local funds for fiscal year 1997-98 for the purposes listed in this section is as follows:

1997-98

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| | | |
|----|---|--------------------|
| 2 | Operating | |
| 4 | Per pupil guarantee pursuant to Maine Revised Statutes, Title 20-A, section 15653 | \$769,928,767 |
| 6 | | |
| 8 | Less amount shifted to Transportation Operating | (4,500,000) |
| 10 | Adjusted Operating Total | <u>765,428,767</u> |
| 12 | Program Costs | |
| 14 | Early Childhood | 469,319 |
| 16 | Special Education (Local) | 123,769,714 |
| 18 | Special Education (Tuition and Board) | 12,370,757 |
| 20 | Vocational Education | 23,884,273 |
| 22 | Transportation Operating | 58,898,267 |
| 24 | Bus Purchases | 4,500,000 |
| 26 | Program Costs Total | <u>223,892,330</u> |
| 28 | | |
| 30 | Less percentage reduction pursuant to Maine Revised Statutes, Title 20-A, section 15603, subsection 26-A, paragraph F | (48,955,575) |
| 32 | | |
| 34 | Plus amount shifted to Transportation Operating | 4,500,000 |
| 36 | Adjusted Program Costs Total | <u>179,436,755</u> |
| 38 | Debt Service Costs | |
| 40 | Principal and Interest | 65,813,167 |
| 42 | Approved Leases | 5,674,690 |
| 44 | Insured Value Factor | 2,057,955 |
| 46 | Debt Service Costs Total | <u>73,545,812</u> |
| 48 | | |
| 50 | Less percentage reduction of insured value factor pursuant to Maine Revised Statutes, Title 20-A, | |

| | | |
|----|--|------------------------|
| 2 | section 15603, subsection 26-A, paragraph F | (449,986) |
| 4 | Adjusted Debt Service Costs Total | <u>73,095,826</u> |
| 6 | Combined Allocations | 1,017,961,348 |
| 8 | Minimum State Allocation | 990,000 |
| 10 | TOTAL ALLOCATION | <u>\$1,018,951,348</u> |

12 **Sec. B-3. Subsidy indexes.** This section establishes mill rates
14 as follows: operating cost millage, 5.00 mills; program millage
limit, 1.06 mills; and debt service millage, 0.50 mills.

16 **Sec. B-4. Calculation of appropriation.** The appropriation
18 provided for General Purpose Aid for Local Schools for the fiscal
year beginning July 1, 1997 and ending June 30, 1998 is
20 calculated as follows.

| | | 1997-98 |
|----|--|--------------------|
| 22 | STATE ALLOCATION | \$534,114,786 |
| 24 | Adjustment to Maintain State | |
| 26 | Share of Operating Cost Allocation | 0 |
| 28 | Total Adjusted State Allocation | <u>534,114,786</u> |

30 **ADJUSTMENTS AND MISCELLANEOUS COSTS**

| | | |
|----|---|------------|
| 32 | Cost of Geographic Isolation Adjustments | 250,000 |
| 34 | Cost of Quality Incentive Adjustments | 0 |
| 36 | Audit Adjustments | 0 |
| 38 | Cost of Reimbursement for Private School Services | 201,000 |
| 42 | Special Education Hardship Grants | 0 |
| 44 | Special Education Tuition and Board for State Wards and Other Pupils Placed Directly by the State | 5,500,000 |
| 46 | State Agency Clients | 13,500,000 |
| 48 | Out-of-district Placements | 1,700,000 |

2 B. The State's share for fiscal year 1996-97 for the
4 allocation of the per pupil guarantee as determined under
6 the Maine Revised Statutes, Title 20-A, chapter 606-A, plus
8 the State's share for program costs and the minimum subsidy
allocation as determined under Title 20-A, chapter 606 and
the fiscal year 1996-97 hardship cushion, less subsidies
provided for bus purchases.

10 **2. Fiscal year 1997-98 hardship cushion.** The hardship
12 cushion targets funds to school administrative units according to
14 a 50-50 weighting of 2 distribution strategies described in
paragraphs A and B.

16 A. If the subsidy change calculated in subsection 1
18 represents a loss from fiscal year 1996-97 to fiscal year
20 1997-98 that exceeds -2.192%, and if the school
22 administrative unit had a fiscal year 1996-97 local tax
effort for education excluding debt service of 7.11 mills or
higher, a hardship cushion is provided to ensure that the
cushion adjusted loss as calculated in subsection 1 does not
exceed -2.192%.

24 B. If the subsidy change calculated in subsection 1
26 represents a loss from fiscal year 1996-97 to fiscal year
28 1997-98 that exceeds -.258% and if the school administrative
30 unit had a fiscal year 1996-97 local tax effort for
32 education excluding debt service of 7.11 mills or higher and
34 if the school administrative unit's per pupil fiscal
capacity, as defined in the Maine Revised Statutes, Title
20-A, chapter 606, section 15603, subsection 11-A, is below
the state average, a hardship cushion is provided to ensure
that the cushion adjusted loss does not exceed -.258%.

36 **PART D**

38 **Sec. D-1. 20-A MRSA §8606-A, sub-§3,** as amended by PL 1995, c.
368, Pt. C, §1, is further amended to read:

40 **3. State reimbursement.** State reimbursement for
42 expenditures on adult education programs must be based on each
44 unit's actual adult education program costs in the foundation
46 year, except that in fiscal years 1991-92 and 1992-93 available
48 state funding is limited to the fiscal year 1990-91 level, and in
fiscal years 1995-96 and 1996-97 available state funding is
limited to the fiscal year 1994-95 level and in fiscal years
1997-98 and 1998-99 available state funding may not be less than
the fiscal year 1996-97 level and must increase in proportion to

any increase in state funding for the general purpose subsidy for public schools pursuant to chapter 606.

A. The state reimbursement must be based on the unit's expenditures for the foundation year in accordance with the maximum allowable expenditures and the local program cost adjustment to the equivalent of the year prior to the year of the allocation.

B. State reimbursement must be paid to each eligible unit during the 2nd quarter of the State's fiscal year.

Sec. D-2. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Part.

| | 1997-98 | 1998-99 |
|---|----------|-------------|
| EDUCATION, DEPARTMENT OF | | |
| Learning Systems | | |
| All Other | \$72,210 | \$182,691 |
| Provides funds in order to increase the adult education subsidy by 2% in fiscal year 1997-98 and 3% in fiscal year 1998-99. | | |
| DEPARTMENT OF EDUCATION | | |
| TOTAL APPROPRIATION | \$72,210 | \$182,691'' |

FISCAL NOTE

This amendment will decrease the General Fund cost of the bill by \$1,195,502,609 in fiscal year 1997-98 and \$1,298,726,413 in fiscal year 1998-99.

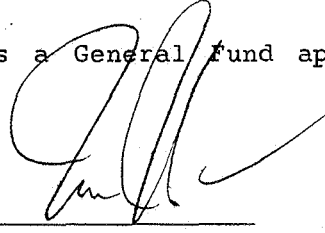
SUMMARY

This amendment replaces the majority report of the Appropriations Committee with the minority report.

The amendment also adds a new part which requires that the State reimbursement for adult education must increase in proportion to any increase for General Purpose Aid for Local

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Schools. It adds a General Fund appropriation to provide that
increase.

SPONSORED BY: 
(Representative WINSOR)

TOWN: Norway