

# MAINE STATE LEGISLATURE

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**APPROPRIATIONS AND FINANCIAL AFFAIRS**

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

COMMITTEE AMENDMENT "B " 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 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 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**

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

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

COMMITTEE AMENDMENT "B" to H.P. 832, L.D. 1137

2	Maine Revised Statutes, Title 20-A, section 15603, subsection 26-A, paragraph F	(449,986)
4	<b>Adjusted Debt Service Costs Total</b>	<u>73,095,826</u>
6	<b>Combined Allocations</b>	1,017,961,348
8	Minimum State Allocation	990,000
10	<b>TOTAL ALLOCATION</b>	<u>\$1,018,951,348</u>
12	<b>Sec. B-3. Subsidy indexes.</b> This section establishes mill rates	
14	as follows: operating cost millage, 5.00 mills; program millage	
16	limit, 1.06 mills; and debt service millage, 0.50 mills.	
18	<b>Sec. B-4. Calculation of appropriation.</b> The appropriation	
20	provided for General Purpose Aid for Local Schools for the fiscal	
22	year beginning July 1, 1997 and ending June 30, 1998 is	
24	calculated as follows.	
26		<b>1997-98</b>
28	<b>STATE ALLOCATION</b>	\$534,114,786
30	Adjustment to Maintain State Share of Operating Cost Allocation	0
32	<b>Total Adjusted State Allocation</b>	<u>534,114,786</u>
34	<b>ADJUSTMENTS AND MISCELLANEOUS COSTS</b>	
36	Cost of Geographic Isolation Adjustments	250,000
38	Cost of Quality Incentive Adjustments	0
40	Audit Adjustments	0
42	Cost of Reimbursement for Private School Services	201,000
44	Special Education Hardship Grants	0
46	Special Education Tuition and Board for State Wards and Other Pupils Placed Directly by the State	5,500,000
48	State Agency Clients	13,500,000
50		



2 allocation as determined under Title 20-A, chapter 606, less  
subsidies provided for bus purchases; and

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

12 **2. Fiscal year 1997-98 hardship cushion.** The hardship  
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  
1997-98 that exceeds -2.192%, and if the school  
20 administrative unit had a fiscal year 1996-97 local tax  
effort for education excluding debt service of 7.11 mills or  
22 higher, a hardship cushion is provided to ensure that the  
cushion adjusted loss as calculated in subsection 1 does not  
24 exceed -2.192%.

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

36 Further amend the bill by inserting at the end before the  
38 summary the following:

40  
42 **FISCAL NOTE**

	1997-98	1998-99
<b>APPROPRIATIONS/ALLOCATIONS</b>		
<b>General Fund</b>	\$558,348,870	\$575,009,349

44  
46  
48 The bill provides General Fund appropriations of  
50 \$558,348,870 in fiscal year 1997-98 and \$575,009,349 in fiscal  
year 1998-99 to the Department of Education, General Purpose Aid  
52 for Local Schools program.'

**COMMITTEE AMENDMENT**

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4

### SUMMARY

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This amendment is the minority report of the Joint Standing Committee on Appropriations and Financial Affairs.

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Part A makes appropriations from the General Fund for General Purpose Aid for Local Schools.

12

Part B specifies the General Purpose Aid for Local Schools actual education cost certification and appropriation level for fiscal year 1997-98 as required by the Maine Revised Statutes, Title 20-A, chapter 606.

16

Part C establishes a hardship cushion that reduces the amount of subsidy that would be lost by certain school administrative units.

18