

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 1

S.P. 9

In Senate, January 4, 2001

An Act to Phase Out Community Income Considerations from the School Funding Formula.

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

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator NUTTING of Androscoggin.
Cosponsored by Representative LAVERDIERE of Wilton and
Senators: CATHCART of Penobscot, MARTIN of Aroostook, MILLS of Somerset,
Representatives: BELANGER of Caribou, BUMPS of China, DESMOND of Mapleton,
GREEN of Monmouth, WESTON of Montville.

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

2

3 **Sec. 1. 20-A MRSA §15603, sub-§26-A, ¶F,** as amended by PL
4 1999, c. 401, Pt. GG, §2, is further amended to read:

6 F. If for any fiscal year the total amount appropriated for
7 the State's share of the total allocation is less than the
8 amount specified in the certified funding level for that
9 year, then all subsidizable costs except as noted in
10 subparagraphs (1) and (2) are reduced by a percentage of the
11 original cost amounts. The reduction percentage is the
12 smallest percentage that results in a state share of the
13 total allocation that does not exceed the amount
14 appropriated for this purpose, except that the reduction
15 percentage that would ordinarily be used for operating and
16 program costs must be reduced for the purpose of computing
17 state subsidy for transportation operating costs as defined
18 in subsection 29. Until fiscal year 2000-01, the reduction
19 percentage ordinarily used for transportation operating
20 costs must be reduced by the amount necessary to provide
21 additional state subsidy equal to \$4,500,000 for this
22 category of costs. The statewide adjustment factor under
23 section 15654, subsection 1, paragraph B must be adjusted by
24 an amount sufficient to provide this additional funding for
25 program costs until July 1, 2004. Beginning July 1, 2004,
26 the statewide adjustment factor under section 15654,
27 subsection 1-A must be adjusted by an amount sufficient to
28 provide this additional funding for program costs.
29 Beginning in fiscal year 1999-00, the reduction percentage
30 must be phased out over 4 years. In fiscal year 1999-00,
31 the reduction percentage for program costs other than
32 transportation operating costs must be 15.88%. It is the
33 intent of the Legislature that the reduction percentage for
34 all program costs and the insured value factor be lowered to
35 9.97% in fiscal year 2000-01, to 4.98% in fiscal year
36 2001-02 and to 0% in fiscal year 2002-03. Beginning in
37 fiscal year 2000-01, if the appropriation and any increase
38 in the mill rate determined by the Legislature to be needed
39 under section 15653 are not sufficient to achieve both the
40 targeted reduction percentage and the targeted per pupil
41 guarantee, as defined in section 15653, then the per pupil
42 guarantee must advance toward the targeted per pupil
43 guarantee in the same proportion as the reduction
44 percentage, as defined in this section, is lowered toward
45 the targeted reduction percentage. The following
46 subsidizable costs may not be reduced:

48 (1) Principal and interest on approved school
49 construction costs; and

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(2) Approved lease costs.

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3
4 **Sec. 2. 20-A MRSA §15654, sub-§1**, as enacted by PL 1995, c. 368, Pt. Z, §1 and affected by §2, is repealed.

6 **Sec. 3. 20-A MRSA §15654, sub-§1-A** is enacted to read:

8 1-A. Unit's local share percentage. For each school
9 administrative unit, the commissioner shall annually determine
10 the unit's local share percentage of the per pupil guarantee.
11 Except as described in subsection 2, the local share percentage
12 of the per pupil guarantee is equal to a statewide adjustment
13 factor established annually by the commissioner.

14
15 **Sec. 4. 20-A MRSA §15657, sub-§1**, as enacted by PL 1995, c.
16 368, Pt. Z, §1 and affected by §2, is repealed and the following
17 enacted in its place:

18
19 1. Fiscal capacity. The local per pupil property fiscal
20 capacity divided by the statewide per pupil property fiscal
21 capacity as computed by the commissioner is multiplied by:

22 A. Until July 1, 2002, a property weight of 0.85;

24 B. From July 1, 2002 to June 30, 2003, a property weight of
26 0.90;

28 C. From July 1, 2003 to June 30, 2004, a property weight of
30 0.95; and

32 D. Beginning July 1, 2004, a property weight of 1.0.

34 **Sec. 5. 20-A MRSA §15657, sub-§2**, as amended by PL 1999, c.
35 401, Pt. GG, §9, is repealed and the following enacted in its
36 place:

37 2. Local median household income. The local median
38 household income is divided by the statewide average median
39 household income.

40 A. Until July 1, 2002, the final result is multiplied by an
42 income weight of 0.15.

44 B. From July 1, 2002 until June 30, 2003, the final result
46 is multiplied by an income weight of 0.10.

48 C. From July 1, 2003 until June 30, 2004, the final result
49 is multiplied by an income weight of 0.05.

50 The department shall use local median household income data as

2 estimated at the fiscal year 1997-98 level until final Federal
3 Decennial Census figures are established for the year 2000. The
4 fiscal year 1997-98 estimated census figures must be adjusted so
5 that no municipality's census figure exceeds twice the state
6 average percentage increase from fiscal year 1996-97 to fiscal
7 year 1997-98.

8 This subsection is repealed July 1, 2004.

10 **Sec. 6. 20-A MRSA §15657, sub-§3**, as enacted by PL 1995, c.
11 368, Pt. Z, §1 and affected by §2, is amended to read:

12 **3. Weighted relative property fiscal capacity.** The results
13 of subsection 1 and subsection 2 are added and the sum represents
14 the weighted relative property fiscal capacity. This subsection
15 is repealed July 1, 2004.

16 **Sec. 7. Effective date.** Those sections of this Act that repeal
17 the Maine Revised Statutes, Title 20-A, section 15654, subsection
18 1 and enact Title 20-A, section 15654, subsection 1-A take effect
19 July 1, 2004.

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SUMMARY

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27 This bill phases out over a 3-year period the consideration
28 of local median household income and increases by an equal
29 percentage the reliance on property values in determining the
30 local contribution portion of the school funding formula.

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