

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from electronic originals
(may include minor formatting differences from printed original)

STATE OF MAINE
118TH LEGISLATURE

SECOND REGULAR SESSION
AND
SECOND SPECIAL SESSION

BILL SUMMARIES
JOINT STANDING COMMITTEE
ON
EDUCATION AND CULTURAL AFFAIRS

MAY 1998

MEMBERS:

Sen. Peggy A. Pendleton, Chair
Sen. Mary R. Cathcart
Sen. Mary E. Small

Rep. Shirley K. Richard, Chair
Rep. Michael F. Brennan
Rep. Mabel J. Desmond
Rep. James G. Skoglund
Rep. Elizabeth Watson
Rep. Christina L. Baker
Rep. Alvin L. Barth, Jr.
Rep. Rodney W. McElroy
Rep. Vaughn A. Stedman
Rep. Irvin G. Belanger

Staff:

Phillip D. McCarthy, Ed.D., Legislative Analyst

Office of Policy and Legal Analysis
Room 101/107/135, 13 State House Station
Augusta, ME 04333
(207)287-1670



**Maine State Legislature
OFFICE OF POLICY AND LEGAL ANALYSIS**

13 State House Station, Augusta, Maine 04333-0013
Telephone: (207) 287-1670
Fax: (207) 287-1275

**ONE HUNDRED EIGHTEENTH LEGISLATURE
SECOND REGULAR AND SECOND SPECIAL SESSIONS**

**Summary Of Legislation Before The Joint Standing Committees
May 1998**

We are pleased to provide this summary of bills that were considered by the Joint Standing Committees of the Maine Legislature. The document is a compilation of bill summaries which describe each bill and relevant amendments, as well as the final action taken. Also included are statistical summaries of bill activity this Session for the Legislature and each of its joint standing committees.

The document is organized for convenient reference to information on bills handled by the joint standing committees. It is organized by committees and within committees by bill (LD) number. The committee report(s), prime sponsor for each bill and the lead co-sponsor(s), if designated, are listed below each bill title. All adopted amendments are listed by paper number. Two indices, a subject index and a numerical index by LD number are provided for easy reference to bills. They are located at the back of the document. A separate publication, History and Final Disposition of Legislative Documents, may also be helpful in providing information on the disposition of bills. These bill summaries also are available at the Law and Legislative Reference Library and on the Internet (www.state.me.us/legis/opla).

Final action on each bill is noted to the right of the bill title. The abbreviations used for various categories of final action are as follows:

- CON RES XXX*..... Chapter # of Constitutional Resolution passed by both Houses
- CONF CMTE UNABLE TO AGREE*.....Committee of Conference unable to agree; bill died
- DIED BETWEEN BODIES*.....House & Senate disagree; bill died
- DIED IN CONCURRENCE*.....One body accepts ONTP report; the other indefinitely postpones the bill
- DIED ON ADJOURNMENT*.....Action incomplete when session ended; bill died
- EMERGENCY*.....Enacted law takes effect sooner than 90 days
- FAILED EMERGENCY ENACTMENT/FINAL PASSAGE*.....Emergency bill failed to get 2/3 vote
- FAILED ENACTMENT/FINAL PASSAGE*.....Bill failed to get majority vote
- FAILED MANDATE ENACTMENT*.....Bill imposing local mandate failed to get 2/3 vote
- INDEF PP*.....Bill Indefinitely Postponed
- ONTP*..... Ought Not To Pass report accepted
- OTP ND*..... Committee report Ought To Pass In New Draft
- OTP ND/NT*..... Committee report Ought To Pass In New Draft/New Title
- P&S XXX*..... Chapter # of enacted Private & Special Law
- PUBLIC XXX*..... Chapter # of enacted Public Law
- RESOLVE XXX*..... Chapter # of finally passed Resolve
- UNSIGNED*.....Bill held by Governor
- VETO SUSTAINED*.....Legislature failed to override Governor's Veto

Please note the effective date for all non-emergency legislation enacted in the Second Regular Session (unless otherwise specified in a particular law) is June 30, 1998 and July 9, 1998 for the Second Special Session. Second Special Session laws include Public Laws beginning with Chapter 718, Private and Special Laws beginning with Chapter 82 and Resolves beginning with Chapter 117.

6. It would repeal the provisions related to adjustments for geographic isolation and nonpublic school service.

Committee Amendment "A" (H-955), proposed to replace the bill. The amendment further proposed to direct the Commissioner of Education to repay local school administrative units the so-called "general purpose aid push" from fiscal year 1990-91 by making a June 1998 subsidy payment of \$39,226,420 as part of the fiscal year 1997-98 supplemental appropriations budget. While this bill was indefinitely postponed, the substance of this amendment was enacted as part of the supplemental appropriations bill with a \$39,226,419 appropriation in fiscal year 1997-98 (see Public Law 1997, chapter 643, part A).

House Amendment "A" to Committee Amendment "A" (H-972), proposed to require the Department of Education to submit legislation to the 119th Legislature that would replace the current school funding formula with the school funding formula in place on January 1, 1985. The amendment was not adopted.

LD 1778 **An Act to Establish the Maine Prepaid College Tuition Program** **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MURRAY WATSON	ONTP	

LD 1778 was carried over from the First Regular and First Special Sessions and proposed to establish the Maine Prepaid College Tuition Program, administered by a board of trustees with the administrative support of the Treasurer of State. The program would have provided for advance purchase by parents of tuition and housing contracts at current prices that would have provided for future attendance by their children at campuses of the University of Maine System, the Maine Technical College System or the Maine Maritime Academy. Funds under the contracts could also have been used for attendance at private colleges and universities and to out-of-state public institutions of higher education up to the amount that would have been paid to an in-state institution under the contract.

LD 1825 **An Act to Authorize a Tuition Savings Plan to Encourage Attendance at Institutions of Higher Education** **PUBLIC 732**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PENDLETON P KONTOS	OTP-AM MAJ OTP-AM MIN	S-620

LD 1825 was carried over from the First Regular and First Special Sessions and proposed to create the Maine Tuition Savings Program to assist residents of the State in meeting the costs of higher education. The bill proposed to provide a mechanism for people to save for education, including favorable tax considerations. This bill is designed to allow a participant to benefit from recently enacted federal tax law providing favorable treatment to tuition savings plans.

Committee Amendment "A" (S-620), the majority report of the Joint Standing Committee on Education and Cultural Affairs, proposed to replace the bill. The amendment proposed to create the Maine College Savings Program to assist Maine residents in meeting the expenses of higher education. Under the program, participants

would establish college savings accounts and use contributions and earnings on the accounts for higher education expenses. The amendment further proposed to accomplish the following:

1. The Maine College Savings Program would be designed to benefit from recently enacted federal tax laws providing favorable income tax treatment to savings programs for the expenses of higher education. The amendment also proposed that earnings on an eligible account would be exempt from state tax;
2. The Maine College Savings Program would be administered by the Finance Authority of Maine and the Maine College Savings Program Fund would be held by the Treasurer of State. The Treasurer of State would also be required to keep the program fund segregated from other funds held by the Treasurer of State and to invest the money as directed by the Finance Authority of Maine, which must make investment decisions with the assistance of the Advisory Committee on College Savings;
3. The Finance Authority of Maine would also be authorized to implement a program limiting future increases on the costs of education to participants through the negotiation of agreements with institutions of higher education. The Finance Authority of Maine would be required to report to the joint standing committee of the Legislature having jurisdiction over education and cultural affairs by January 30, 1999 on the rules and rule-making process relating to implementing this component of the Maine College Savings Program; and
4. The amendment further proposed to clarify the tax treatment under state law for amounts withdrawn from accounts established under the Maine College Savings Program and used for higher education expenses.

The amendment also proposed to add a fiscal note to the bill.

Committee Amendment "B" (S-621), the minority report of the Joint Standing Committee on Education and Cultural Affairs, also proposed to replace the bill. Like the majority report, this amendment proposed to create the Maine College Savings Program to assist Maine residents in meeting the expenses of higher education. Under the program, participants may establish college savings accounts and use contributions and earnings on the accounts for higher education expenses.

The minority report differs from the majority report in the following two ways:

1. The minority report requires that the Finance Authority of Maine adopt rules to implement the tuition lock-in component of the Maine College Savings Program by January 1, 1999 and designates those rules as major substantive thus requiring legislative review before they are finally adopted. The majority report designates the rules as routine technical which does not require legislative review and requires the Finance Authority of Maine to report to the joint standing committee of the Legislature having jurisdiction over education matters on the outcome of the rule-making process by January 1, 1999; and
2. The minority report requires the Finance Authority of Maine to absorb the marketing costs for the program.

The amendment also proposed to add a fiscal note to the bill. The amendment was not adopted.

Enacted law summary

Public Law 1997, chapter 732 creates the Maine College Savings Program to assist Maine residents in meeting the expenses of higher education. Under the program, participants would establish college savings accounts and use contributions and earnings on the accounts for higher education expenses. The law accomplishes the following:

1. The Maine College Savings Program is designed to benefit from recently enacted federal tax laws providing favorable income tax treatment to savings programs for the expenses of higher education. The law establishes that earnings on an eligible account are exempt from state tax:
2. The Maine College Savings Program will be administered by the Finance Authority of Maine and the Maine College Savings Program Fund will be held by the Treasurer of State. The Treasurer of State is also required to keep the program fund segregated from other funds held by the Treasurer of State and to invest the money as directed by the Finance Authority of Maine, which must make investment decisions with the assistance of the Advisory Committee on College Savings;
3. The Finance Authority of Maine is also be authorized to implement a program limiting future increases on the costs of education to participants through the negotiation of agreements with institutions of higher education. The Finance Authority of Maine is required to report to the joint standing committee of the Legislature having jurisdiction over education and cultural affairs by January 30, 1999 on the rules and rule-making process relating to implementing this component of the Maine College Savings Program; and
4. The law further clarifies the tax treatment under state law for amounts withdrawn from accounts established under the Maine College Savings Program and used for higher education expenses.

LD 1861 RESOLUTION, Proposing an Amendment to the Constitution of ONTP
Maine to Provide Equal Educational Funding

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PARADIS BELANGER D	ONTP	

LD 1861 was carried over from the First Regular and First Special Sessions and proposed to amend the Constitution of Maine to require that the Legislature ensure that funding is available to provide equal educational opportunities to students at public schools throughout the State.

LD 1967 An Act to Allow for Greater Efficiency in School Construction ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PINGREE	ONTP	

LD 1967 proposed to authorize school administrative units to enter into design-build contracts, as an alternative to the traditional design-bid-build method, for the construction, major alteration or repair of school buildings. Under current law, any contract for the construction, major alteration or repair of school buildings involving a total cost in excess of \$100,000 must be awarded by competitive bids. While the Committee voted ONTP on this bill, the concept of permitting school units to use alternative school construction methods and delivery systems will be examined as part of a stakeholders group review to be established by the Department of Education, the State Board of Education and the Bureau of General Services (see Public Law 1997, chapter 787, section 16).