

MAINE STATE LEGISLATURE

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FIRST SPECIAL SESSION
(EMERGENCY)

ONE HUNDRED AND SECOND LEGISLATURE

Legislative Document

No. 1592

S. P. 644

In Senate, January 17, 1966

The Committee on Appropriations and Financial Affairs suggested.

EDWIN H. PERT, Secretary

Presented by Senator Snow of Cumberland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SIXTY-SIX

AN ACT Providing for Supplemental Payments of 1965 Education Subsidies to Administrative Units and Payments for Various Educational Subsidy Programs.

Emergency preamble. Whereas, the number of school administrative districts formed during the past year has exceeded the estimates; and

Whereas, the amount of general purpose subsidy due the various administrative units in the fiscal year ending June 30, 1967 has exceeded the amounts appropriated; and

Whereas, the towns, cities and districts have budgeted with the expectation that full subsidy will be paid; and

Whereas, failure by the State to provide adequate appropriations to meet the statutory commitments will make it necessary to prorate subsidies and thereby create a severe financial hardship for local units in the operation of their educational programs for 1966-1967; and

Whereas, supplemental appropriations are required for the fiscal years ending June 30, 1966 and June 30, 1967, to support other special educational subsidy programs; 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,

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

Sec. 1. Department of Education; appropriation. In order to provide funds for payment of General Purpose Aid to towns, cities and districts, there is appro-

priated from the General Fund the following sums for the fiscal year ending June 30, 1967.

The breakdown by account and line category shall be as follows:

EDUCATION, DEPARTMENT OF	1966-67
General Purpose Aid	\$650,000

Sec. 2. Department of Education; appropriation. In order to provide sufficient appropriations for the payment in full of allowable special purpose subsidies, there is further appropriated from the General Fund the following sums for which the accounts and breakdown are as follows:

	1965-66	1966-67
EDUCATION, DEPARTMENT OF		
Secondary Education of Island Children		
All Other	—	\$ 1,500.00
Teachers of Mentally Retarded		
All Other	\$ 1,377.44	1,650.00
Driver Education		
All Other	9,310.00	20,000.00
Industrial Education		
All Other	9,541.14	15,000.00
Special Education Mentally Retarded		
All Other	100,107.29	112,000.00
Physically Handicapped		
All Other	18,137.74	40,000.00
Vocational Education		
All Other	45,750.00	—
Professional Credit Subsidy		
All Other	72,650.00	40,000.00
	\$256,873.61	\$230,150.00

Sec. 3. Department of Education; deductions from appropriations. There is appropriated to be deducted from funds made available under the private and special laws of 1965, chapter 78, as heretofore enacted by this Legislature, the following amounts:

	1966-1967
EDUCATION, DEPARTMENT OF	
Vocational Education—Subsidies	
All Other	(\$26,000)

Emergency clause. In view of the emergency cited in the preamble, this Act shall take effect when approved.

Statement of Facts

A shortage of appropriated funds for payment of General Purpose Aid and Special Education Subsidies has developed. The situation is critical because the various towns, cities and districts have budgeted and operated school programs with the expectation that the State will provide the subsidies to which they are entitled by statute or regulation. If the State does not provide sufficient funds to cover the claims it will be necessary to prorate special subsidies which will create a hardship for local units. In prior years, the State has met these commitments in full. The information relating to the accounts is as follows:

General Purpose Aid

Supplementary aid to districts. Since the enactment of the Sinclair Act, the average number of towns entering districts annually until January 1, 1965, was 15 towns per year. The budget prepared and submitted to the Governor in 1964 and to the Legislature in 1965 recognized the average growth of district formation and estimated that approximately 17 towns would be added to districts in each year of the biennium for a total of 34 more towns in the 2-year period. The number of towns entering districts since January 1, 1965, totals 46, 12 more than estimated for the biennium. Consequently, the budget lacks \$49,033 to meet the present commitment. If towns continue to enter districts at the same rate in 1966, it is estimated that \$195,599 in additional money will be needed making a total requirement of \$244,632 in additional funds for supplemental aid.

Audit adjustments

Additional general purpose aid totaling \$155,368 is required for the 1966-67 year due to audit adjustments and the inclusion of actual expenditures in the computation rather than rounded dollar figures. While the adjustments in most towns are relatively small, in at least 2 cases, the audit adjustments are comparatively large. The total adjustments amount to \$155,368 and represent .6 of one per cent of the total foundation program aid to administrative units.

School construction aid

The rapidity of towns entering school administrative districts has also created a shortage of funds for subsidy on school construction. In 1965-1966, \$1,500,000 was available for the budget year. The claims for payment totaled \$1,603,595.37. Consequently, it was necessary to defer until 1966-67 claims for \$103,595.37. To overcome this shortage and to provide for construction in towns entering districts during the next year, it is estimated that \$250,000 in additional funds will be needed.

The total requirement for supplemental aid, audit adjustments and construction subsidy is \$650,000.

Special Educational Subsidies

The amounts due the towns, cities and districts for special subsidies exceeds the funds available in both years of the biennium. The requirements, however, do not exceed the amounts requested in the biennial budget.

The largest deficits occur in special education for assistance in operation of programs for the physically handicapped and the mentally retarded which will necessitate prorating as low as 67c on a dollar. Vocational education subsidy has a sizable shortage, (\$45,750) for 1965-1966 but is expected to have a balance of \$26,000 for 1966-67 which amount is deducted in the Act.

In the case of Professional Credit Subsidy, the statutes provide that whenever a certified teacher completes 6-credit hours of professional study and receives not less than \$50 from an administrative unit, the unit shall receive \$50 from the State at the next distribution of state funds. The appropriation of \$110,000 for this purpose has remained the same for years although the number of teachers and the amount of in-service study has increased considerably. The appropriation has not met the demand and a large backlog of claims has resulted. This is not an account which is subject to prorating and consequently, a deficiency of \$72,650 exists for 1965-1966 and if this deficit is not provided there will be a shortage of \$112,650 for 1966-1967. This actually means that unless something is done the State will be more than an entire year in arrears in payment of this subsidy.