

MAINE STATE LEGISLATURE

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ONE HUNDRED AND THIRD LEGISLATURE

Legislative Document

No. 1718

House of Representatives, June 14, 1967

Filed by Mr. Jalbert of Lewiston. Printed under House Rule 33.

BERTHA W. JOHNSON, Clerk

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SIXTY-SEVEN

HOUSE AMENDMENT "D" to S. P. 597, L. D. 1575, Bill, "An Act to Appropriate Moneys for the Expenditures of State Government and for Other Purposes for the Fiscal Years Ending June 30, 1968 and June 30, 1969."

Amend said Bill in Section A by striking out all of the following :

"DEBT RETIREMENT

General Fund Bonds

All Other	1,865,000	1,980,000"
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Further amend said Bill in Section A by striking out everything under the caption "EDUCATION, DEPARTMENT OF" and insert in place thereof the following :

'EDUCATION, DEPARTMENT OF

Subsidies to Cities and Towns for
Professional Credits

All Other	125,000	—
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Teachers of Mentally Retarded Children—
Subsidies

All Other	3,500	3,500
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Vocational Education—Subsidies

All Other	159,004	170,024
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*General Purpose Subsidies to Cities
and Towns

All Other	34,968,789	31,868,789
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*\$4,000,000 of this amount to carry into

the 1968-69 fiscal year to be expended for the same purpose.

Maine School Building Authority —
Administration

Personal Services	(1)	9,283	(1)	9,283
All Other		4,210		4,310

Student Scholarship Fund

All Other		50,000		50,000
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Vocational Education—Administration

Personal Services	(16½)	71,694	(16½)	73,218
All Other		16,565		16,430
Capital Expenditures		700		700

Administration

Personal Services	(39½)	318,885	(39½)	321,549
All Other		60,450		58,450
Capital Expenditures		2,900		1,700

Educational Television

Personal Services	(1½)	11,881	(1½)	12,209
All Other		73,825		75,825
Capital Expenditures		60		—

Special Education-Supervision of

Personal Services	(3)	24,834	(3)	25,350
All Other		4,105		4,105
Capital Expenditures		760		—

Superintendents of Towns Comprising
School Unions

Personal Services	(125)	170,010	(125)	1,260
All Other		26,700		26,700

Matching Funds—National Defense
Education Act

All Other		139,133		145,418
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Eastern Maine Vocational Technical
Institute

Personal Services	(30½)	205,166	(34)	239,323
All Other		118,600		129,700
Capital Expenditures		75,000		50,000

Matching Funds—Training in Fisheries
Trade

Personal Services	(5)	25,153	(5)	27,246
All Other		22,550		22,550
Capital Expenditures		6,363		4,150

School of Practical Nursing—Waterville			
Personal Services	(7)	27,109	(7) 28,223
All Other		12,349	13,080
Capital Expenditures		1,547	527
Southern Maine Vocational Technical Institute			
Personal Services	(56)	188,306	(56) 200,300
All Other		142,420	150,720
Capital Expenditures		26,651	10,385
Vocational Rehabilitation			
Personal Services	(33)	48,120	(33) 49,742
All Other		120,156	127,852
Capital Expenditures		2,198	450
Education of Orphans of Veterans			
All Other		16,500	16,500
Driver Education—Supervision of			
Personal Services	(2)	14,153	(2) 14,660
All Other		3,000	2,150
Capital Expenditures		1,500	450
Farmington State College			
Personal Services	(100½)	924,568	(100½) 951,252
All Other		443,170	489,750
Capital Expenditures		16,871	15,176
Gorham State College			
Personal Services	(142)	1,246,518	(157) 1,403,044
All Other		604,050	639,050
Capital Expenditures		28,500	32,500
Washington State College			
Personal Services	(48)	422,714	(50) 448,066
All Other		204,362	223,375
Capital Expenditures		13,700	10,700
Fort Kent State College			
Personal Services	(39)	303,860	(40) 310,217
All Other		112,041	116,134
Capital Expenditures		4,400	4,800
Aroostook State College			
Personal Services	(61)	478,833	(66) 552,929
All Other		213,015	224,329
Capital Expenditures		18,000	10,560
School of Practical Nursing—Northern Maine			
Personal Services	(5½)	35,454	(5½) 36,923
All Other		5,650	5,900
Capital Expenditures		1,180	600

*School of Children in Unorganized Territory

Personal Services	(53)	133,448	(53)	140,120
All Other		237,805		242,020

School of Indian Children

Personal Services	(16)	47,725	(16)	50,625
All Other		67,600		72,500
Capital Expenditures		2,977		1,197

State Administration—School Lunches

Personal Services	(7)	52,236	(7)	53,250
All Other		7,470		8,100
Capital Expenditures		290		285

Subsidies—Special Education

All Other		575,000		700,000
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Subsidies—Secondary Education for Island Children

All Other		10,030		10,030
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Donated Commodities Program

Personal Services	(3 4/5)	19,412	(3 4/5)	19,412
All Other		3,300		3,300
Capital Expenditures		250		—

School of Practical Nursing—Southern Maine

Personal Services	(8)	51,614	(8)	53,806
All Other		13,985		13,985
Capital Expenditures		2,059		500

*(It is the intent of the Legislature that this account be allotted up to available funds including any balance forwards)

Subsidies—Industrial Education

All Other		83,000		93,000
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Northern Maine Vocational Technical Institute

Personal Services	(39)	269,054	(39)	278,551
All Other		261,378		243,378
Capital Expenditures		7,500		5,000

Student Scholarship Administration

Personal Services	(1)	4,491	(1)	4,721
All Other		72,650		133,100
Capital Expenditures		180		—

Farmington State College—Speech and Hearing Referral and Training Center			
Personal Services	(1)	10,192	(1) 10,192
All Other		2,550	2,750
Capital Expenditures		3,152	<u> </u>
Subsidies—Regional Technical and Vocational Centers			
All Other		59,000	242,000
Matching Funds—Manpower Development and Training Act 1962			
Unallocated		72,553	72,714
Subsidies—Driver Education			
All Other		130,000	130,000
Training of Firemen			
Personal Services	(1½)	7,570	(1½) 7,570
All Other		14,830	14,830
Capital Expenditures		225	225
Central Maine Vocational Technical Institute			
Personal Services	(33)	210,905	(33) 224,234
All Other		183,108	206,551
Capital Expenditures		25,000	15,000
New England Higher Education Compact			
All Other		51,605	<u>51,920</u>
Total Department of Education		<u>45,070,159</u>	<u>42,537,089'</u>

Further amend said Bill in Section A under the caption "HEALTH AND WELFARE, DEPARTMENT OF" by striking out from the paragraph entitled "Aid to Dependent Children" the line:

"All Other	1,000,000	1,000,000"
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and inserting in place thereof the line:

'All Other	1,000,000	1,900,000' ;
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and by striking out the lines:

"Total Department of Health and Welfare	14,717,908	15,334,194"
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and inserting in place thereof the lines:

'Total Department of Health and Welfare	14,717,908	16,234,194'
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Further amend said Bill in Section A under the caption "INTEREST ON BONDS" by striking out the lines:

"General Fund Bonds		
All Other	1,058,817	984,425"

and inserting in place thereof the lines :

'General Fund Bonds

All Other	800,849	1,931,956'
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Further amend said Bill in Section A under the caption "UNIVERSITY OF MAINE" by striking out from the paragraph entitled "Administration" the line :

"All Other	9,574,322	10,728,472"
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and inserting in place thereof the line :

'All Other	10,374,322	11,428,472' ;
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and by striking out the line :

"Total University of Maine	9,913,204	11,100,294"
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and inserting in place thereof the line :

'Total University of Maine	10,713,204	11,800,294'
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Further amend said Bill by striking out the last line of Section A :

"Total—Section A	\$109,929,652	\$111,723,066"
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and inserting in place thereof the line :

'Total—Section A	\$111,023,231	\$113,680,330'
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Further amend said Bill in Section B by striking out everything under the caption "ATTORNEY GENERAL" and inserting in place thereof the following :

'ATTORNEY GENERAL

Administration

Personal Services	(4)	38,465	(4)	40,186
All Other		3,500		3,500
Capital Expenditures		875		<u> </u>

Provides three additional Assistant Attorney Generals, one account clerk, conversion of a part-time Assistant Attorney General to fulltime, salary increases and related travel and office expense.'

Further amend said Bill in Section B under the caption "CONTRIBUTIONS AND TRANSFERS TO OTHER FUNDS" by striking out from the paragraph entitled "To Highway Fund" the lines :

'General Fund's share of State

Police Costs	112,767	96,098
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Provides fund for twenty-eight new State Troopers and a twenty-year retirement program for State Police officers"

and inserting in place thereof the lines:

‘General Fund’s share of State Police Costs	81,064	72,197
Provides funds for fifteen new State Troopers and a twenty-year retirement program for State Po- lice officers’;		

and by striking out the line:

“Total Contributions and Transfers	148,517	131,848”
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and inserting in place thereof the line:

‘Total Contributions and Transfers	116,814	107,947’
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Further amend said Bill in Section B by striking out all of the following:

“BI-STATE COMMISSION ON OCEANOGRAPHY

All Other	50,000	—
To match funds with the State of New Hampshire for the purpose of promoting oceanography”		

Further amend said Bill by striking out the last line of Section B:

“Total—Section B	\$2,427,838	\$2,706,233”
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and inserting in place thereof the line:

‘Total—Section B	\$2,346,135	\$2,682,332’
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Further amend said Bill by striking out the 2nd paragraph from the end and inserting in place thereof the following:

‘Section C

Subsection 1

Appropriating Moneys to Provide for
Night Pay Differentials for State Em-
ployees

Appropriation for night pay differentials for state employees. There is appropriated from the General Fund the sum of \$125,000 for the fiscal year ending June 30, 1969 for the purpose of placing into effect, as of the first pay period after the effective date of this Act, a 10c per hour increase under the State Personnel Board’s Compensation Plan for Classified Positions, such pay increase for those who, for the year or any part thereof, are regularly employed on night shifts.

Said pay differential shall be applied at the direction of the State Personnel Board, with the right to appeal by the employee or his representative.

The same provisions and standards shall be applied to those employees who are employed by departments which are supported wholly, or in part, by the General Highway Fund, special revenue funds or other funds.

Subsection 2

Increasing Pay for State Employees.

Sec. 1. Appropriation. There is appropriated from the General Fund the sum of \$550,000 for the fiscal year ending June 30, 1968, and the sum of \$1,100,000 for the fiscal year ending June 30, 1969, to effectuate, as of January 1, 1968, a pay adjustment plan for state employees to be incorporated into the official State Pay Plan, adopted by the State Personnel Board.

Any balance at June 30, 1968 shall not lapse, but shall carry forward into the 1968-69 fiscal year to be used for the same purpose. The breakdown shall be as follows:

DEPARTMENT	1967-68	1968-69
Employees Salary Plan		
Personal Services	\$ 550,000	\$1,100,000

Sec. 2. Unclassified employees subject to Governor and Council determination. With respect to unclassified employees whose wage rates are subject to Governor and Council determination, the Governor and Council shall grant similar and equitable treatment.

Sec. 3. Unclassified employees not subject to Governor and Council determination. With respect to unclassified employees whose wage rates are not subject to determination by the Governor and Council, the authorities responsible for determining the wage rates of such employees shall grant similar and equitable treatment.

	1967-68	1968-69
Sec. 4. Utilization by other funds. Wages of employees in departments supported by the General Highway Fund, Special Revenue Funds or other funds shall not be adjusted from moneys provided for the General Fund Pay Plan, but shall be adjusted from funds available from other sources.	550,000	1,100,000

Subsection 3

Appropriating Moneys to Provide Uniforms for Employees of Maine State Ferry Service.

Appropriation. There is appropriated from the General Fund the sum of \$5,000 for the fiscal year ending June 30, 1968, for the purpose of providing uniforms for employees of the Maine State Ferry Service.

5,000

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Subsection 4

Relating to State Police Retirement Benefits Under the Maine State Retirement System.

R. S., T. 5, § 1121, sub-§ 1, ¶ C, amended.
The first 2 sentences of paragraph C of subsection 1 of section 1121 of Title 5 of the Revised Statutes are repealed, and the following enacted in place thereof:

Any member of the State Police who became a member of that department subsequent to July 9, 1943 may retire upon completion of 20 years of creditable service as a state police officer, but must retire upon attainment of age 55, except that any member who is a state police officer on January 1, 1967 and who will not have 20 years creditable service at the time age 55 is attained may continue in said service until 20 years is attained and forthwith shall be retired. Except that military service credits as allowed under section 1094 shall not be considered as part of the creditable service necessary for the 20 years service as a state police officer, but that

	1967-68	1968-69
any military service creditable under section 1091 shall be considered to be part of the creditable service necessary for the 20 years as a state police officer provided that he was a state police officer at the time of entrance into said military service and upon separation from military service again became a state police officer.		

Amounting to \$113,924,366 for the fiscal year ending June 30, 1968, and \$117,587,662 for the fiscal year ending June 30, 1969.

Section D

DEBT RETIREMENT

General Fund Bonds	\$1,557,500	\$1,917,500
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FINANCE AND ADMINISTRATION, DEPARTMENT OF

Bureau of Public Improvements

*Repairs and Minor Improvements— state-wide—	400,000	—
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UNIVERSITY OF MAINE

Graduate Building	1,100,000	—
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Amounts in Section D to be appropriated from General Fund Unappropriated Surplus. Any balance of the starred item shall carry into the 1968-69 fiscal year to be expended for the same purposes.

Section E

Sec. 1. R. S., T. 36, § 1766, additional. Title 36 of the Revised Statutes is amended by adding a new section 1766, as follows:

§ 1766. Dedicated revenues

From the total revenues collected from the sales and use tax, including the increase in the tax provided by this Act, 1/10th of the revenues is dedicated each fiscal year for general purposes subsidies to cities and towns.

Sec. 2. R. S., T. 36, § 1811, amended. The first paragraph of section 1811 of Title 36 of the Revised Statutes, as amended by section 6 of chapter 362 of the public laws of 1965, is further amended to read as follows:

A tax is imposed at the rate of ~~4%~~ 4½% on the value of all tangible personal property and telephone and telegraph service sold at retail in this State, and upon the rental charged for living quarters in hotels, rooming houses, tourist or trailer camps, measured by the sale price, except as in chapters 211 to 225 provided. Retailers shall pay such tax at the time and in the manner provided, and it shall be in addition to all other taxes.

Sec. 3. R. S., T. 36, § 1812, amended. The first 2 paragraphs of section 1812 of Title 36 of the Revised Statutes are repealed and the following enacted in place thereof:

Every retailer shall add the sales tax imposed by chapters 211 to 225, or the average equivalent of said tax, to his sale price, except as otherwise provided, and when added the tax shall constitute a part of the price, shall be a debt of the purchaser to the retailer until paid and shall be recoverable at law in the same manner as the purchase price. When the sale price shall involve a fraction of a dollar, the tax shall be added to the sale price upon the following schedules:

Amount of Sale Price	Amount of Tax
\$0.01 to \$0.10, inclusive	0c
.11 to .22, inclusive	1c
.23 to .44, inclusive	2c
.45 to .66, inclusive	3c
.67 to .88, inclusive	4c
.89 to 1.10, inclusive	5c
1.11 to 1.32, inclusive	6c
1.33 to 1.54, inclusive	7c
1.55 to 1.76, inclusive	8c
1.77 to 1.99, inclusive	9c

When the sale price exceeds \$1.99, the tax to be added to the price shall be 9c for each unit of \$2, plus the amount indicated above for each fractional part of \$2.

Sec. 4. R. S., T. 36, § 1861, amended. The first sentence of section 1861 of Title 36 of the Revised Statutes is amended to read as follows:

A tax is imposed on the storage, use or other consumption in this State of tangible personal property, purchased at retail sale ~~on and after July 1, 1963,~~ at the rate of ~~4%~~ 4½% of the sale price.

Sec. 5. Effective date. Sales and use tax liability accruing after June 30, 1967 shall be computed on the basis of the rates imposed by Section E. Retail sales and purchases made after June 30, 1967, including retail sales and purchases made pursuant to contracts entered into prior thereto and telephone and telegraph charges first billed on or after July 1, 1967, shall be subject to the taxes imposed by Section E.

Section F

Sec. 1. R. S., T. 36, § 4365, amended. The first sentence of section 4365 of Title 36 of the Revised Statutes, as amended by section 1 of chapter 343 of the public laws of 1965, is further amended to read as follows:

A tax is imposed on all cigarettes held in this State by any person for sale, said tax to be at the rate of ~~4~~ 5 mills for each cigarette and the payment thereof to be evidenced by the affixing of stamps to the packages containing the cigarettes.

Sec. 2. R. S., T. 36, § 4365, amended. The next to the last sentence of section 4365 of Title 36 of the Revised Statutes, as amended by section 2 of chapter 343 of the public laws of 1965, is further amended to read as follows:

The Tax Assessor thereupon shall notify the unclassified importer of the amount of the tax due thereon, which shall be at the rate of ~~4~~ 5 mills per cigarette.

Sec. 3. R. S., T. 36, § 4366, amended. The 2nd sentence of section 4366 of Title 36 of the Revised Statutes, as amended by section 3 of chapter 343 of the public laws of 1965, is further amended to read as follows:

To licensed distributors he shall sell such cigarette stamps at a discount of ~~2 1/2%~~ 2% of their face value.

Sec. 4. Cigarettes on hand; stamping or accounting; waiver provision. The State Tax Assessor may by regulation waive for a period of not over 7 days following the effective date of this Act, payment of additional tax by retail dealers with respect to stocks of cigarettes properly stamped at the rate of 4 mills per cigarette sold during such period, provided such stocks were on hand as of the effective date of this Act; and pursuant thereto, the State Tax Assessor may also waive for the same period the application to retail dealers of Title 36, sections 4369, 4370 and 4372 as respects such cigarettes.

Nothing herein shall be construed to authorize any distributor or subjobber to distribute to any retail outlet cigarettes not properly stamped at the rate of 5 mills per cigarette.

Cigarettes in the hands of retail dealers subsequent to the period of waiver provided for above, not properly stamped at the rate of 5 mills per cigarette, shall be subject to confiscation under the provisions of Title 36, section 4372; and such retailer shall be subject to any other penalties by law provided.

Section G

Changing the Foundation Program Per Pupil Allowances.

Sec. 1. R. S., T. 20, § 3721, sub-§ 2, amended. The last paragraph of subsection 2 of section 3721 of Title 20 of the Revised Statutes, as amended by section 1 of chapter 320 of the public laws of 1965, is repealed.

Sec. 2. R. S., T. 20, § 3721, sub-§ 3, ¶ B, repealed and replaced. Paragraph B of subsection 3 of section 3721 of Title 20 of the Revised Statutes, as amended by section 2 of chapter 266 of the public laws

of 1965, is repealed and the following enacted in place thereof:

B. Employ at least one teacher for each 30 elementary school pupils in average daily membership, except in the kindergarten where the ratio shall not exceed one teacher to 60 pupils, and at least one teacher for each 25 high school pupils. The pupil-teacher ratio shall be determined by dividing the average daily membership of the school by the number of classroom teachers, excluding supervisors, principals, guidance directors and other nonteaching personnel. Any unit maintaining a school with a pupil-teacher ratio higher than that authorized by this section shall have its operational subsidy allocation for the next succeeding biennium reduced by 5%, except that the state board may waive the requirement of the law and this penalty if the local unit gives sufficient evidence that such a waiver is warranted.

Sec. 3. R. S., T. 20, §§ 3722 - 3723, repealed and replaced. Sections 3722 and 3723 of Title 20 of the Revised Statutes, as amended, are repealed and the following enacted in place thereof:

§ 3722. — Allowance

The foundation program allowance for each administrative unit shall be determined as follows:

The average of the 2 preceding years' adjusted resident average daily membership of the pupils attending school in the unit shall be multiplied by the applicable dollar allowance in Table I below. To this amount shall be added the average of the unit's 2 preceding years' expenditure for tuition and board; the allowable tuition expenditure shall be 90% of the average of the 2 preceding years. To this amount shall be added 90% of the 2 preceding years' expenditures for pupil transportation. The total of these items will be the total foundation program. From this total foundation program shall be sub-

tracted the average of the 2 preceeding years' school maintenance incidental receipts, not including tuition receipts, except that income received from a ministerial and school fund shall not be subtracted. A portion of the receipts from Public Law 874 or any penalties applied for illegal expenditures or uncertified teachers shall be deducted from the foundation program allocation in the same proportion as the unit's local effort toward the foundation program was to the total sum of the foundation program in the previous biennium. The board may adjust the effect of the penalties if evidence is submitted that undue hardship or unusual gain would occur in the subsidy of any unit. The net cost thus obtained represents the net foundation program allowance on which state subsidy shall be computed biennially in accordance with this section.

Resident average daily membership, as used in this section, shall represent the sum of the days present and absent of all resident pupils in the schools under consideration divided by the number of days school is maintained. Pupils attending school on a part-time basis shall be counted as .2 of a pupil for each class period which they attend.

TABLE I

The per pupil allowance used in computing the foundation program shall be \$320.

The resident average daily membership in the elementary schools enrolling fewer than 26 pupils shall be adjusted as follows:

Multiply resident average daily membership by

1.50	If the elementary school enrolls from	1	to	10	pupils
1.40	" "	"	"	"	"
1.33	" "	"	"	"	"
1.27	" "	"	"	"	"
					11 to 15 pupils
					16 to 20 pupils
					21 to 25 pupils

The resident average daily membership thus determined and the resident average daily membership in all other units shall be adjusted as follows before multiplying by the fixed per pupil allowance. The pupils in grades kindergarten through grade 6 shall be multiplied by 1; the pupils in grades 7 and 8 shall be multiplied by 1.2. The adjusted resident average daily memberships in grades kindergarten through 8 shall be added together before multiplying by the per pupil allowance. The resident average daily membership in grades 9 through 12 shall be multiplied by 1.4 before multiplying by the per pupil allowance.

It is the intent of the Legislature that Table I of this section should be revised each biennium to the end that amendments may be enacted consistent with the changes in the educational expenditures of the towns. On or before October 1st of each year prior to the convening of the Legislature, it shall be the duty of the commissioner to make recommendations to the Governor for such revision which may be used as the basis for budget needs and recommendation for state school subsidies for appropriation by the subsequent session of the Legislature.

§ 3723. — State support of

On the basis of information available in the office of the commissioner on September 1st for the 2 years next preceeding the biennial convening of the Legislature, as provided in returns of education statistics required by him, the commissioner shall apportion subsidies to the school administrative units of the State for each of the next 2 years according to the following plan.

From each unit's foundation program, as defined in sections 3721 and 3722, shall be subtracted the yield of 20 mills times the unit's state valuation. The result shall be the amount of state aid, on the foundation program that the unit is entitled to

receive, provided that no unit shall receive less than 20% state aid on its foundation program. The aid to School Administrative Districts shall be computed as follows: The net foundation program of the district shall be distributed among the member municipalities of the district in the same ratio as the average resident pupils of the member municipalities bears to the total average number of resident pupils in the School Administrative District. From the foundation program thus distributed shall be subtracted the yield of 20 mills times the member municipality's state valuation provided that no member municipality shall be required to raise more than 80% of its foundation program. The aid thus computed for the member municipalities shall be added together and shall be paid to the School Administrative District. In addition, School Administrative Districts shall receive the supplemental aid as provided in section 3456. The valuation used shall be as determined by the Board of Equalization in the statement filed by it, as provided in Title 36, section 381. The computation of state aid for each unit shall be subject to correction in accordance with the final statement filed by the Board of Equalization on December 1st.

The subsidy allocation for a newly formed School Administrative District shall be the sum of the amounts that the towns would have received plus 10% supplemental aid as provided in section 3456. During the succeeding bienniums the School Administrative District aid shall be computed in accordance with this section.

Any administrative unit in which the elementary operating expenditure or secondary operating expenditure, not including debt retirement, capital outlay items, transportation, tuition or community services, exceeded the amount of the foundation program per pupil allowance multiplied by the adjusted pupil count of

the previous biennium shall be entitled to an additional subsidy allocation on that part of its average elementary or secondary operational expenditure which exceeded the elementary or secondary foundation program amount of the previous biennium. The amount that the average elementary or secondary operational expenditure exceeded the average elementary or secondary foundation program of the previous biennium shall be multiplied by 4%. The result shall be added to the subsidy allocation.

Whenever any administrative unit's fiscal reports show that the average expenditure for foundation program items during the 2 years preceeding the convening of the Legislature was less than the foundation program requirements of the same 2-year period for either elementary or secondary education programs, the unit shall have a portion of the average amount by which it failed to meet the foundation program requirements deducted from its foundation program for the 2 years of the succeeding biennium. If a unit fails to meet the elementary or secondary foundation program requirements as set out in the statutes, the percentage of the amount to be deducted shall be in the same ratio as the ratio of the unit's local contribution toward the net cost of the foundation program in the previous biennium was to the net cost of the foundation program during the same period of time.

The allowable aid earned by community school districts shall be paid directly to those units.

When a School Administrative District has taken over the operation of the public schools within its jurisdiction, the subsidy payment that would normally be paid to the subordinate administrative units which operated the public schools within the confines of the School Administrative District prior to the formation of said district shall be paid directly to the School Administrative District.

The total salary paid to a superintendent of schools including state and local portions shall be used when computing the general purpose aid of a unit. From the subsidy allocation of each unit shall be deducted that portion of the subsidy that was earned because of the salary of a superintendent of schools. The amount thus deducted shall be paid to the superintendent of school under section 154.

The subsidy allocation to any unit in 1968 shall not exceed a 18% increase over the subsidy allocation that was scheduled for payment to that unit in 1968, under the provisions of the statutes that were in force at the time the budget was submitted by the Governor for legislative consideration. Every unit in the State shall receive a subsidy allocation in 1968 which is no less than the amount originally allocated for the unit in 1968 by the budget document which was recommended for legislative consideration. Thereafter, the subsidy allocation to any unit may not increase in any one year, more than 25% over the subsidy allocation paid to that unit during the previous year.

Sec. 4. R. S., T. 20, § 154, amended. The 3rd, 4th and 5th sentences of section 154 of Title 20 of the Revised Statutes are repealed and the following enacted in place thereof:

Upon approval of said certificate, the superintendent so employed shall, on presentation of proper vouchers, receive monthly out of the sum appropriated for general purpose aid for the unit an amount in accordance with section 3723. Whenever a superintendent of schools serves as a supervising principal as authorized in section 151, subsection 5, the sum paid to such superintendents of schools shall not exceed the amount earned under section 3723 which is attributable to his duties as superintendent of schools.

Sec. 5. Effective date. Section G shall become effective July 1, 1968.

Section H

R. S., T. 5, § 151-A, additional. Title 5 of the Revised Statutes is amended by adding a new section 151-A, to read as follows :

§ 151-A. Income from temporary investment of bonds

All net income realized from the temporary investment of bond proceeds on general fund bond issues approved by the 103rd Legislature and future Legislatures shall be credited to a special account designated as Debt Service Account, and used only for the retirement of bonds.