

# MAINE STATE LEGISLATURE

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ONE HUNDRED AND FOURTH LEGISLATURE

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**Legislative Document**

**No. 535**

S. P. 161

In Senate, February 4, 1969

Referred to Committee on Education. Sent down for concurrence and ordered printed.

JERROLD B. SPEERS, Secretary

Presented by Senator Kellam of Cumberland.

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**STATE OF MAINE**

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SIXTY-NINE

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**AN ACT Relating to the Distribution of School Subsidy.**

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**Emergency preamble.** Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the municipalities are facing unusual budgetary increases because of changes in state valuation; and

Whereas, unless legislative action is taken, more than half of the communities will receive less state aid in 1969 than they received in 1968; and

Whereas, the quality of educational programs in many units may be lowered; and

Whereas, there is a vital need for distributing school subsidies on a more equitable basis; 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. R. S., T. 20, § 154, amended.** The 3rd and 4th sentences of section 154 of Title 20 of the Revised Statutes, as amended, are further amended to read as follows:

Upon approval of said certificate, the superintendent so employed shall, on presentation of proper vouchers, receive at intervals to be determined by the

commissioner out of the sum appropriated for general purpose aid for the unit an amount in accordance with section ~~3723~~ 3724. ~~Whenever a superintendent of schools serves as a supervising principal as authorized in section 151, subsection 5, the sum paid to such superintendent of schools shall not exceed the amount earned under section 3723 which is attributable to his duties as superintendent of schools.~~

Sec. 2. R. S., T. 20, §§ 3721-3723, repealed and replaced. Sections 3721, 3722 and 3723 of Title 20 of the Revised Statutes, as amended, are repealed and the following enacted in place thereof:

§ 3721. Foundation program, defined

To guarantee at least a minimum program of education for all children throughout the State there is established a foundation program of education, expressed in terms of a minimum dollar cost per pupil, said cost to be shared by the State and the local school units in accordance with section 3724.

School expenditures included in the foundation program shall be those for teachers' salaries and board, including any money paid by a school administrative unit under an annuity contract for the benefit of an employee, fuel, janitors' services, board of pupils, textbooks, reference books, school supplies for desk or laboratory use, public utility services, flags, replacement of instructional equipment, fire insurance, compensation of superintendents' assistants, school committee, community school committee or school directors, office, attendance officers and medical inspection; and shall not include debt retirement, capital outlay items which are allowable costs under section 3457, transportation and community services.

§ 3722. Per pupil allowance, defined

The per pupil allowance shall be set by the State Board of Education no later than September 1st of even-numbered years and shall be the state average per pupil cost of public education in Maine computed on those expenditures included in the foundation program defined in section 3721 for the most recent fiscal year. The per pupil allowance used for computing state aid for fiscal 1969-70 and fiscal 1970-71 shall be \$450.

§ 3723. The cost of the foundation program of a control unit

The cost of the foundation program for a school unit shall be the number of resident pupils, as reported by the unit on April 1st of even-numbered years, but each pupil attending school on a part-time basis shall be counted as .2 of a pupil for each class period which he attends and each pupil attending special education programs because of physical or mental handicaps shall be counted as 3 pupils, multiplied by the applicable per pupil allowance as set by the State Board of Education in accordance with section 3722.

From the amount thus computed shall be subtracted the preceding fiscal year's school maintenance incidental receipts. Tuition income and income from a ministerial and school fund and income from the receipts of U. S. Public Law 81-874, as amended, shall not be subtracted. The resulting amount shall be the cost of the foundation program for a school unit.

Sec. 3. R. S., T. 20, §§ 3726 and 3727, additional. Title 20 of the Revised Statutes is amended by adding 2 new sections, 3726 and 3727, to read as follows:

§ 3726. State and local share of foundation program

The computation of the unit's share of the cost of the foundation program shall be adjusted by a population correction factor (PCf) which shall be computed according to the following equation:

$$\text{PCf} = \frac{2R_1}{R_1 + R_2} \quad \text{Where } R_1 \text{ is the ratio of}$$

the unit's number of resident pupils as reported under section 3723 to the total number of resident pupils in the State as similarly reported and  $R_2$  is the ratio of the population of the unit to the population of the State as reported in the latest U. S. Census. If the result thus computed is less than 1.0 and greater than or equal to 0.70 it shall be used as the population correction factor. If the result thus computed is less than 0.70 the population correction factor shall be 0.70 if the result is greater than 1.0 the population correction factor shall be 1.0.

The computation of the local and state share of the unit's foundation program shall be as follows: The unit's state valuation is multiplied by the population correction factor and the product multiplied by 29.4 mills for the state fiscal year 1969-70 and by 25 mills for the state fiscal year 1970-71 and thereafter. The result shall be the unit's share of the cost of its foundation program. If the amount thus computed exceeds the unit's foundation program cost as computed under section 3723 the State shall not share in the cost of the foundation program. If the amount thus computed is less than the unit's foundation program cost as computed under section 3723, it shall be subtracted from the cost of the unit's foundation program computed in accordance with section 3723 and the difference shall be the state share of the unit's foundation program. In addition to the state share of a unit's foundation program thus computed School Administrative Districts shall receive supplemental aid as provided in section 3456.

In any event the State shall pay 90% of the unit's cost of public school transportation computed by averaging the previous 2 years' expenditures; such transportation shall be provided for elementary school pupils as is now provided by section 3561. Secondary school transportation shall be provided, a part or the whole of the distance, to and from the nearest suitable school when such pupils reside at such a distance from said school as in the judgment of the school committee or board of directors shall render such conveyance necessary beginning in September, 1970. Transportation shall be provided by sending units as needed for all students attending regional vocational-technical centers. Transportation shall be provided for all physically and mentally handicapped children to a suitable school within or outside the unit.

The State shall pay \$15 for every student completing a driver education course during the preceding year. The sum thus determined shall be allocated

in accordance with section 3455. In addition, the board may allocate from the state's appropriation for state aid an amount not exceeding \$175,000 per year to be distributed to local units as an encouragement to develop new and innovative programs. Said funds shall be distributed in accordance with guidelines and regulations as established by the board.

In addition, the unit shall receive a stipend for employing a superintendent of schools which shall be at the rate of \$5,200 annually. The amount thus added shall be paid to the superintendent of schools in accordance with section 154.

§ 3727. Duty of the commissioner and board

On or before October 1st of the even-numbered years, it shall be the duty of the commissioner, as directed by the State Board of Education, to make recommendations to the Governor for such revision of the procedure for computing the state and local shares of the cost of the foundation programs of the school units of the State, and the Governor may use said recommendations as the basis for budget needs and recommendations for state school subsidies to be appropriated by the subsequent session of the Legislature.

#### STATEMENT OF FACTS

Passage of this bill would increase state aid to municipalities by approximately \$8,000,000 in 1969 and an additional \$9,000,000 in 1970; sufficient funds to administer this program are provided in the executive budget. These changes and other recommended changes in teacher retirement benefits and departmental operations would bring the state's share of the cost of public education to over 42% in fiscal year 1970-71.

It should be noted that the state valuation, as currently set by the State Board of Equalization, is approximately half of the fair market value of property. The local mill effort required in section 3724 of this Act would be only half as great if the State were using 100% valuation.