

MAINE STATE LEGISLATURE

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ONE HUNDRED AND FIFTH LEGISLATURE

Legislative Document

No. 1293

S. P. 444

In Senate, March 12, 1971

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

HARRY N. STARBRANCH, Secretary

Presented by Senator Sewall of Penobscot.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-ONE

AN ACT to Equalize Educational Expenditures and Local Tax Effort.

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

Sec. 1. R. S., T. 20, § 2356-B, sub-§ 2, amended. The first sentence of subsection 2 of section 2356-B of Title 20 of the Revised Statutes, as enacted by section 3 of chapter 440 of the public laws of 1965, is repealed and the following enacted in place thereof:

Two-thirds of the cost of instruction expended above the average per pupil cost being subsidized under chapter 511 in approved technical and vocational classes maintained on the secondary level through grade 12 shall be reimbursed to the unit operating the regional center. Ninety percent of the costs of instruction for approved part-time and evening classes for out-of-school youth and adults shall be reimbursed. For the fiscal year ending June 30, 1973 only an amount of \$420 per pupil shall be substituted for the computation of the average per pupil cost.

Sec. 2. R. S., T. 20, § 2356-C, amended. The last paragraph of section 2356-C of Title 20 of the Revised Statutes, as enacted by section 3 of chapter 440 of the public laws of 1965, is amended to read as follows:

For full-time students enrolled in the center, the tuition charge shall be $\frac{1}{3}$ the per pupil cost of instruction in the regional technical and vocational education center determined as above, **minus the vocational aid paid to the operating unit**, plus $\frac{1}{2}$ the average cost per pupil determined in accordance with section 1292 for the tuition charges for regular secondary education and subject to the limitations of section 1291.

Sec. 3. R. S., T. 20, § 3455, amended. The first 5 sentences of section 3455 of Title 20 of the Revised Statutes, as amended, are repealed.

Sec. 4. R. S., T. 20, § 3455, amended. The 6th sentence of section 3455 of Title 20 of the Revised Statutes, as enacted by section 2 of chapter 308 of the public laws of 1969, is amended to read as follows:

All apportionments to administrative units ~~academies and institutes~~ under this Title, unless specifically directed by statute, shall be made annually commencing in July of each year in the following manner: An amount not to exceed $\frac{1}{12}$ of the subsidy shall be paid each month no later than the last day of the month.

Sec. 5. R. S., T. 20, § 3455, amended. Section 3455 of Title 20 of the Revised Statutes, as amended, is further amended by inserting before the last sentence the following new sentence:

Municipal officers shall make such an application for payment to the Maine School Building Authority no later than April 1st of the year in which the payment is to be made.

Sec. 6. R. S., T. 20, § 3456, amended. The first paragraph of section 3456 of Title 20 of the Revised Statutes is amended to read as follows:

When administrative units are reorganized by the formation of "School Administrative Districts" as provided in chapter 9, the state subsidy paid annually to each district, as determined in section ~~3723~~ 3741, shall be supplemented by an additional ~~10%~~ 7% of that amount for the fiscal year ending June 30, 1973, 5% of that amount for the fiscal year ending June 30, 1974, 3% of that amount for the fiscal year ending June 30, 1975, 1% of that amount for the fiscal year ending June 30, 1976, and nothing thereafter.

Sec. 7. R. S., T. 20, § 3456, amended. Section 3456 of Title 20 of the Revised Statutes, as amended, is further amended by adding at the end the following:

The State Board of Education is authorized and directed to review the organization and operation of all public school systems before January, 1975. When all considerations including geographic factors have been examined, the board shall certify all school systems which are organized to insure maximum fiscal efficiency and adequate educational opportunities. When the board determines that a unit does not meet the tests of fiscal efficiency and adequate educational programs, the unit shall be added to another unit.

When the board determines that one unit needs to be combined with another, it shall call a meeting of school and municipal officials in the units involved to work out the details and procedures to be followed in preparation for the merger. The number of directors to represent each municipality within an enlarged district shall be determined by a majority vote of the school and municipal officials representing the member towns in accordance with guidelines established in this Title. The method of sharing costs among the member municipalities shall be determined by a majority vote of the municipal officials and school officials meeting in joint session within the guidelines established in this Title.

The municipalities shall merge for school purposes on a date to be selected by the State Board of Education. The board shall notify the municipalities of the date selected at least 60 days prior to the date in order that the necessary school directors may be elected and qualified for office before the organizational date. All mergers shall be completed no later than January 2, 1975.

Sec. 8. R. S., T. 20, c. 512, repealed. Chapter 512 of Title 20 of the Revised Statutes, as enacted by section 2 of chapter 496 of the public laws of 1969, as amended, is repealed.

Sec. 9. R. S., T. 20, c. 512-A, additional. Title 20 of the Revised Statutes is amended by adding a new chapter 512-A, to read as follows:

CHAPTER 512-A

GENERAL PURPOSE AID

§ 374I. General purpose aid defined

To help equalize educational opportunity and local school tax effort, it is declared to be the intent of the Legislature to:

1. Computation. Distribute to each unit an amount per pupil equal to the average per pupil expenditure in the year preceding the convening of the Legislature. The state average per pupil expenditure shall be computed by totaling the expenditures made by local units from state and local funds exclusive of federal funds except for those distributed to impacted areas under Public Law 874 and excluding all expenditures for transportation, capital outlay, community services and debt service. Divide the expenditures as so computed by the average number of resident pupils educated at public expense on October 1st and April 1st for the school year preceding the convening of the Legislature. For the fiscal year ending June 30, 1973 computation, an amount of \$420 per pupil shall be used.

2. Reimbursement. Reimburse the local units 80% of the average expenditures for school transportation, including school bus purchases, school crossing guides and the board of pupils, for the 2 fiscal years preceding the convening of the Legislature.

3. — Special education. Reimburse expenditures made for special education pupils in classes operated by the unit or for pupils tuitioned to other schools or for other special education expenditures when such expenditures have been approved by the commissioner in accordance with Table I. Only those expenditures which exceed the reimbursement for pupils in regular classes shall be eligible for special subsidy. State aid reimbursements for the education of handicapped children shall occur in the fiscal year immediately following the expenditure year. For the fiscal year ending June 30, 1973 computation, the State shall reimburse expenditures which are above \$420 per pupil.

TABLE I

The reimbursement rate for the education of handicapped children for each unit shall be determined by dividing the median state per pupil valuation by

the state per pupil valuation of the unit and multiplying the result by 75%. No unit may qualify for more than 97% nor less than 13%.

Per pupil valuation shall be determined by dividing the average number of resident pupils educated at public expense on October 1st and April 1st for the school year preceding the convening of the Legislature into the state valuation as determined by the State Tax Assessor.

4. —adjustment. Whenever a unit experiences an enrollment increase of resident pupils educated at public expense in excess of 3% between October 1st in one school year and October 1st in the next school year, it may apply to the state board for a subsidy adjustment. Such an adjustment shall be computed and paid before December 31st if proof is furnished and the board makes a finding of fact that a hardship does exist. In such a case the new pupils shall be counted for the purpose of computing the subsidies allotted as if those pupils had been attending school in the administrative unit during the applicable subsidy year. The additional subsidy shall be paid to the unit in the same calendar year that the enrollment increase occurs and new pupils become the responsibility of the administrative unit.

5. Local property taxes. It is declared to be the intent of the Legislature that no more than 50% of the general purpose aid distributed shall be taken from local property tax sources. The commissioner shall recommend to the Bureau of the Budget the required appropriation to carry out the purposes of this chapter. The Bureau of the Budget shall include a recommended amount in the Part I budget that shall carry out the legislative intent as expressed in this chapter.

6. Deductions. From the aid computed for each unit shall be deducted a sum of money which shall be paid directly to the superintendent of schools under section 154. The amount deducted shall equal 40% of the annual contract salary.

7. Teachers' salaries. Administrative units shall pay teachers an amount at least equal to the minimum salary law, and shall 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.

§ 3742. Local contribution

Every administrative unit shall appropriate 20 mills on its state valuation and shall pay on the last day of each month beginning in July, 1972 to the Treasurer of State to be credited to the General Fund $\frac{1}{12}$ of the amount so appropriated. For the fiscal year ending June 30, 1973 only, every administrative unit shall appropriate 17.5 mills on its state valuation and shall pay on the last day of each month beginning in July, 1972 to the Treasurer of State to be credited to the General Fund $\frac{1}{12}$ of the amount so appropriated.

§ 3743. Subsidy computation and payment

The average number of pupils educated at public expense on October 1st and April 1st of the school year preceding the convening of the Legislature

shall be multiplied by the average per pupil expenditure as defined in section 3741. To this amount so determined shall be added 80% of the average sums of money expended for school transportation items as defined in section 3741 for the 2 fiscal years preceding the convening of the Legislature. The total amount thus determined minus the sum withheld for payment under section 154 shall be apportioned in accordance with section 3455.

Aid for expenditures for handicapped pupils as defined and described in section 3741 shall be computed and paid in the year following the expenditure year.

Each unit shall be reimbursed \$15 for every student completing a driver education course during the preceding year.

Aid to community school districts, including transportation and special education, shall be distributed in direct proportion to the number of students being educated by the district as compared with the total number of students in the member towns.

If the unit is a School Administrative District, add the appropriate percentage to the sums determined in this chapter in compliance with section 3456. The subsidy for a newly formed School Administrative District shall be the sum of the amounts that the towns would have received plus the appropriate percentage as set out in section 3456.

The state valuation used in the computations shall be as determined by the State Tax Assessor in the statement filed by him as provided in Title 36. The computation of state aid for each unit shall be subject to correction in accordance with the final state valuation statement filed by the State Tax Assessor in each year.

Any unit whose 1969 school tax effort equaled or exceeded the state average school tax effort of 34.6 mills shall receive an amount of general purpose aid in the fiscal year ending June 30, 1973 at least equal to the amount received in the fiscal year ending June 30, 1972. The 1969 school tax effort shall be computed by dividing the total moneys raised from local property taxes for school purposes by the 1968 state valuation as determined by the State Tax Assessor.

Sec. 10 R. S., T. 36, § 451, amended. The first sentence of section 451 of Title 36 of the Revised Statutes is amended to read as follows:

For necessary expenses of local and State Government, a tax is assessed annually at the rate of ~~25~~ 20 mills on the dollar upon each municipality, township and each lot and parcel of land not included in any township in the State.

Notwithstanding the foregoing, for the fiscal year ending June 30, 1973 only a tax is assessed at the rate of 17.5 mills on the dollar upon each municipality, township and each lot and parcel of land not included in any township in the State.

Sec. 11. R. S., T. 36, § 453, repealed. Section 453 of Title 36 of the Revised Statutes is repealed.

Sec. 12. Appropriation. There is appropriated from the General Fund to the Department of Education the sum of \$2,500,000 to carry out the purposes of this Act. The breakdown shall be as follows:

	1972-73
EDUCATION, DEPARTMENT OF	
General Purpose Aid	\$2,500,000

STATEMENT OF FACT

The intent of this legislation is to provide an equal number of dollars per pupil for every student in Maine and to equalize the local tax effort required to maintain an equal per pupil expenditure. If this bill is implemented, construction aid would become available to all units by January, 1975. Some savings in per pupil costs would result from reorganization and would be passed on to local and state taxpayers. In 1969-1970 the per pupil cost for districts operating schools from K-12 was \$546.77. The per pupil cost in nondistrict systems operating schools from K-12 was \$575.19. The bill provides flexibility, and local units may go beyond the minimums if approved by appropriate local bodies. Property owners with property of equal value would pay the same tax for basic education irrespective of the town where the property is located. The bill provides substantial property tax relief for a majority of the towns in the State. More than 4/5 of the cities and towns would receive substantial tax relief. The money distributed under this Act plus the federal funds available from other sources will equal an average per pupil distribution of \$556. For the year 1972-73 the State would distribute \$420 per pupil and would require a local appropriation of 17.5 mills. Thereafter, the State would distribute an amount equal to the average per pupil cost and would require a local appropriation of 20 mills based on state valuation.