

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 scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 836

H. P. 616

House of Representatives, March 8, 1977

On motion of Mr. Lynch of Livermore Falls, referred to Committee on Education. Sent up for concurrence and 2,000 ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Birt of East Millinocket.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-SEVEN

AN ACT Changing the Formula for State Subsidy of Education.

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

Sec. 1. 20 MRSA § 220, 3rd ¶, as last amended by PL 1975, c. 746, § 4, is repealed.

Sec. 1-A. 20 MRSA § 220, 4th ¶, as enacted by PL 1975, c. 272, § 1, is repealed.

Sec. 1-B. 20 MRSA, § 220, 6th ¶, as enacted by PL 1975, c. 746, § 4-A, is repealed.

Sec. 2. 20 MRSA § 358, 2nd ¶, as last amended by PL 1975, c. 746, § 8, is repealed.

Sec. 3. 20 MRSA § 358, 3rd ¶, as enacted by PL 1975, c. 660, § 1, is repealed.

Sec. 4. 20 MRSA § 1293, as last repealed by PL 1973, c. 556, § 9, is re-enacted to read as follows:

§ 1293. Tuition of state wards

Any child between the ages of 5 and 20 assigned to a private home, in an administrative unit not maintaining an elementary or secondary school, by the Department of Human Services shall have school privileges in the unit to which he is assigned and the unit shall be reimbursed by the Department of Human Services for the net amount expended for tuition as determined by the commissioner. In addition, whenever any child is assigned to an approved private tax-exempt secondary institution, the institution shall be reimbursed for tuition purposes by the Commissioner of Educational and Cultural Services by an amount equivalent to the per capita state subsidy for pupils residing in the administrative unit in which the institution is located and the

balance of the legal tuition charge shall be reimbursed to the institution by the Department of Human Services. The annual tuition charge for educating such children shall be computed in accordance with section 1292. Payments shall be based on the legal tuition rate for the previous fiscal year. Such reimbursements shall be made prior to December 30th following the close of the school year in June.

Sec. 5. 20 MRSA c. 117, as repealed by PL 1973, c. 556, § 10, is reenacted to read:

CHAPTER 117

CHILDREN AT PRIVATE TAX-EXEMPT INSTITUTIONS

§ 139I. Attendance at public schools

Any child between the ages of 5 and 20, who resides at a private tax-exempt institution within this State, shall have the right to attend the public schools in the administrative unit in which such institution is located under the same conditions as pupils residing in such administrative unit, and shall for the purposes of this section be classed as resident pupils and the administrative unit shall be paid from the appropriation for general purpose aid the net local cost of educating such children at each elementary or secondary school attended by them. Any child between the ages of 5 and 20, committed or otherwise legally admitted to any state-operated institution, shall have the right to attend the public schools in the administrative unit in which such institution is located, or in any adjoining administrative unit, upon enrollment therein by the head of such institution under the same conditions as pupils residing in such administrative unit and shall for the purposes of this section be classed as resident pupils and the net local cost of educating such children shall include only those school operating expenses paid by the administrative unit on account of such children enumerated in section 3731, and shall be computed for each school on the basis of financial reports and school enrollment figures required by and filed with the commissioner during each school year ending June 30th. Payments shall be made to each administrative unit based on the net local per pupil cost of education during the previous fiscal year. The payment shall be added to the general purpose aid of the administrative unit.

Sec. 6. 20 MRSA § 2356-B, sub-§ 2, 1st ¶, last sentence, as enacted by PL 1975, c. 513, § 6, is repealed.

Sec. 7. 20 MRSA § 2405, last sentence, as enacted by PL 1975, c. 556, § 13, is repealed.

Sec. 8. 20 MRSA § 3456, as repealed and replaced by PL 1973, c. 556, § 14, is repealed and the following enacted in its place:

§ 3456. Supplemental aid for reorganized districts

When administrative units are reorganized by the formation of "School Administrative Districts" as provided in chapter 9, the state subsidy paid

annually to each such district, as determined in section 3732, shall be supplemented by an additional 10% of that amount.

In the event that the School Administrative District, within 4 years of the time of its formation, fails to provide the following, the additional bonus payable under this section shall not be paid the district thereafter until such time as such provisions are made:

1. Program. A program which includes kindergarten through grade 12;
2. Secondary facilities. Whenever a district enrolls more than 700 pupils in grades 9 through 12, the district may operate more than one 4-year school. Whenever a district enrolls fewer than 700 pupils in grades 9 through 12, it shall house the pupils in grades 10 through 12 in one facility within 4 years from the date of the district's formation. A district may meet the requirement of providing a secondary facility by contracting with another unit or with a private academy for a term of from 5 to 20 years. The facilities may be constituted as 4-year schools, or combined with grades 7 and 8 to form a 6-year school or 2 or more 3-year schools, except for children living remote from a public school as provided in section 912.

A School Administrative District which receives its certificate of organization and is placed in operation shall be entitled to supplemental aid beginning the month following the date of organization.

Sec. 9. 20 MRSA § 3457, TABLE II, as last amended by PL 1973, c. 571, § 52-B, is repealed and the following enacted in its place:

TABLE II

The percentage of state aid for each municipality shall be determined by dividing the median state per pupil valuation by the state per pupil valuation of the municipality and multiplying the result by 40%. No administrative unit may qualify for more than 85% nor less than 15% school construction aid. The construction aid on any project shall be frozen at the rate which was in existence at the time the project was approved by the governing body of the administrative unit.

Sec. 10. 20 MRSA § 3561, 4th ¶, as last amended by PL 1975, c. 746, § 22, is repealed.

Sec. 11. 20 MRSA § 3561, 5th ¶, as enacted by PL 1975, c. 746, § 22-A, is repealed.

Sec. 12. 20 MRSA c. 512, §§ 3731 - 3733, as repealed by PL 1973, c. 556, § 5, are reenacted to read:

CHAPTER 512

GENERAL PURPOSE AID

§ 3731. General-purpose aid, defined

To help equalize educational opportunity and to assist administrative units in providing an adequate educational program for all pupils, a sum of money

shall be distributed through an equalization formula. It is declared to be the intent of the Legislature that the sum to be distributed through the equalization formula shall equal at least $\frac{1}{2}$ of the average per pupil operating cost for all public schools in the State. Operating costs shall cover the fiscal year which precedes the convening of the Legislature. They shall include all expenditures except transportation, community services, capital outlay items and debt service, reduced by tuition receipts. In addition to the sum of money distributed under the equalization formula, each unit shall be reimbursed a percentage of its expenditures for the transportation, board of pupils, school bus purchases, the education of exceptional children and vocational education.

Administrative units shall pay teachers an amount at least equal to the minimum salary law; and should employ at least one teacher for each 30 elementary school pupils in average daily membership except in the kindergarten where the ratio should not exceed one teacher to 60 pupils and one teacher for each 25 high school pupils.

§ 3732. —computation

A sum of money to be distributed under an equalization formula to maintain the state's share at a minimum of $\frac{1}{2}$ of the operating cost as defined in section 3731 shall be recommended by the Department of Educational and Cultural Services to the Bureau of the Budget. The Bureau of the Budget shall include a recommended amount in the Part I budget that shall represent at least $\frac{1}{2}$ of the operating cost for all public schools as defined.

Equalization formula

Definition of pupils: The number of resident pupils on October 1st and April 1st for the fiscal year preceding the convening of the Legislature shall be averaged and used for all computations required in this chapter. Pupils attending school on a part-time basis shall be counted in proportion to the time attended in order to insure fair and equitable treatment in the distribution of state aid.

The amount of money to be distributed to each municipality and administrative unit shall be computed in accordance with the following equalization formula:

$$\frac{\text{State Valuation Per Pupil at Mid Point}}{\text{Per Pupil Valuation of Municipality}} \times \frac{\text{Base Rate Per Pupil}}{\text{Pupil}} \times \frac{\text{Number of Pupils in the Municipality as Defined in this Section in Year Preceding the Convening of the Legislature}}{\text{Pupil}} = \text{The Equalization Amount Per Municipality}$$

Prepare a list showing the per pupil valuation and the number of pupils as defined in this section for each municipality. Rearrange the list according to per pupil valuations from high to low. From this list, determine the mid point in the pupil population and read the corresponding per pupil valuation. The figure thus determined shall be rounded to the nearest thousand. This per pupil valuation shall be called the state valuation per pupil at midpoint.

Per pupil valuation shall be determined by dividing the number of pupils in the municipality as defined in this section into the state valuation as filed by the State Tax Assessor.

The total equalization sum available shall be divided by the number of resident pupils as defined in this section to determine a per pupil rate for the municipality with the median state valuation per pupil. The number of dollars per pupil used in the formula is determined by dividing the median state valuation per pupil by the state valuation per pupil at midpoint and multiplying the per pupil rate for the municipality with the median state valuation by that result. The amount thus determined shall become the base rate per pupil.

If the state valuation per pupil at midpoint divided by the per pupil valuation of a municipality results in a factor of more than 2.0, then 2.0 shall be used in the computation.

The average sums of money expended in the fiscal years preceding the convening of the Legislature by administrative units for public school pupils for transportation, school bus purchase, board of pupils and education of exceptional children, when such expenditures have been approved by the commissioner, shall be multiplied by the percentages in Table I and the results shall become part of the general purpose aid of the unit.

The per pupil valuation of each municipality shall be determined as provided in this section. The commissioner shall establish the applicable percentage for each eligible unit from the formula in Table I on January 1st of the year in which the Legislature convenes in first regular session. The percentage thus determined shall be applicable for the next 2 fiscal years of the State, July 1st to June 30th.

TABLE I

The percentage of state aid for each municipality shall be determined by dividing the median state per pupil valuation by the state per pupil valuation of the municipality and multiplying the result by 75%. No administrative unit may qualify for more than 97%.

In the case of School Administrative Districts, the cost shall be distributed to each municipality in the district in direct proportion to the number of pupils in each municipality within the district on April 1st in the year preceding the convening of the Legislature. Such costs shall be multiplied by the appropriate percentage in Table I and the subsidies for each municipality within the district shall be added together to arrive at a district total.

Any unit which fails to appropriate by local taxation annually \$30 per inhabitant as determined by section 851 for the support of its public schools for each of the 2 years preceding the convening of the Legislature shall receive the same percentage of its general purpose aid as the percentage determined when the unit's appropriation per inhabitant from local taxes for public schools is divided by \$30.

The total aid to a unit in any year may not be less than 90% of the aid received by the unit in the preceding year.

The state valuation used in the above computations shall be as determined by the State Tax Assessor in the statement filed by him, 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 State Tax Assessor, adjusted and finalized, as of March 1st.

Community school districts are not considered to be administrative units for subsidy purposes. Each participating town's subsidy allotment shall be computed as set forth in this section. The state subsidy covering the town's share of the cost of the community school district shall be paid to the community school district from the town's subsidy allotment with the remainder being paid directly to the town.

§ 3733. Tax effort

If funds become available by legislative appropriation, each municipality shall be reimbursed from a fund to be known as the Tax Effort Fund a percentage of the fund if its tax effort for all municipal purposes in the year preceding the convening of the Legislature exceeded the median tax effort of all municipalities in the State. The tax effort for each municipality shall be determined by dividing its assessments on property by the state valuation as published in the year preceding the convening of the Legislature. For all municipalities that exceed the median tax effort, the sums of money by which each unit exceeds the median shall be added together and a percentage shall be determined for each unit by dividing its excess assessment by the total assessment for the State. Any funds distributed for tax effort shall be distributed on the basis of the percentage thus determined.

The tax effort funds available shall be distributed to those units which equal or exceed a part of the median school tax effort of the State in accordance with the following table. School tax effort shall be determined by dividing total school appropriations by the state valuation of the municipality for the year preceding the convening of the Legislature.

State Valuation Per Resident Pupil	Percent of Median School Tax Effort
\$ 4,500 and under	100%
4,501 - 7,500	90%
7,501 - 9,000	80%
9,001 - 15,000	70%
15,001 and over	50%

Sec. 13. 20 MRSA § 3734-A is enacted to read:

§ 3734-A. Adjustments

1. Subsidy adjustments.

A. The State Board of Education shall determine geographic isolation and may declare a unit to be geographically isolated when that unit is

located an unreasonably long distance from another unit or school facility or is situated in a location which has unique problems in transporting students to another school unit. If the unit is declared to be geographically isolated by the State Board of Education, the board shall adjust the per pupil allocation to that unit to meet the educational needs of that unit, except that such an adjustment shall not exceed the amounts expended by that unit in the base year which were in excess of the basic elementary and secondary per pupil operating rates in the base year.

B. When an administrative unit enrolls pupils who reside on land under control of the Federal Government, or agency thereof, or on a Federal Military Reservation, such pupils shall be considered as resident pupils for purposes of this chapter. The allocation to such a unit shall be adjusted by subtracting therefrom the Federal Public Law 874 receipts in the same proportion that total local revenues under the state equalization program are in total local revenues for education in the unit. The amount which may be subtracted may not exceed 90% of the unit's entitlement for the year immediately prior to the year of allocation. In adjusting the allocation under the previous sentence, the amounts subtracted for pupils residing on land under control of the Federal Government, or any agency thereof, or on a Federal Military Reservation shall not exceed $\frac{1}{2}$ of the national average expenditure per pupil, as computed by the Federal Government, times the number of such students in the unit.

C. A unit may qualify for an unusual enrollment subsidy adjustment whenever the increase in pupils between October 1st of the year of allocation of funds and October 1st of the year prior to the year of allocation of funds is 3% or more. The number of pupils in excess of 3% increase shall be multiplied by the appropriate per pupil rate as established in this section to determine the allowable adjustment. All units shall be prorated if necessary to remain within the sum appropriated for such an adjustment. Local administrative units are authorized to expend any funds received through this adjustment without calling for a special meeting of the local legislative body. There is established within the department a contingent account for unusual enrollment subsidy adjustments.

Sec. 14. 20 MRSA c. 512-A, as enacted by PL 1975, c. 660, § 2, and as amended, is repealed.

Sec. 15. 36 MRSA § 451, as last repealed and replaced by PL 1975, c. 660, § 5, is repealed and the following enacted in its place:

§ 451. Rate of tax

For necessary expenses of local and State Government, a tax is assessed at the rate of 16.5 mills on the dollar applied to a 100% valuation for the property tax year commencing April 1, 1973, and increasing thereafter to 18 mills effective April 1, 1974, 19½ mills effective April 1, 1975, 21 mills effective April 1, 1976, 22.5 mills effective April 1, 1977, and 24 mills effective April 1, 1978, and every year thereafter upon each municipality, township and each lot and parcel of land not included in any township in the State. In any event, such rate shall never exceed whatever shall from time to time be the weighted

average municipal tax rate. The "weighted average municipal tax rate" means the total municipal property taxes levied statewide for the previous year as determined by the State Tax Assessor from the annual return of municipal assessors pursuant to section 383 divided by the state valuation of municipalities in effect for the previous year adjusted to a 100% basis. The valuation as determined by the State Tax Assessor, as set forth in the statement filed by him as provided by section 381, shall be the basis for the computation and apportionment of the tax assessed.

Sec. 16. 36 MRSA § 453, as last amended by PL 1975, c. 754, § 6, is repealed and the following enacted in its place:

The Treasurer of State, in his warrants, shall require the mayor and aldermen, selectmen or assessors, respectively, to pay or to issue their several warrants requiring the collectors of their several municipalities to collect and pay to the treasurers of their respective municipalities the sums against those municipalities required by this subchapter.

The sum so collected in each municipality shall be paid when collected to the treasurer thereof to be by him disbursed for necessary expenses of local government as determined or appropriated by the legislative body of such municipality for the public welfare within the purposes specified in Title 30, which Title sets forth those purposes for the public welfare for which municipalities are themselves authorized to raise money by taxation.

Sec. 17. 36 MRSA § 891-A, as enacted by PL 1973, c. 556, § 8, is repealed.

STATEMENT OF FACT

The intent of this bill is to repeal the Act Equalizing the Financial Support of School Units and revert back to the educational subsidy formula in effect prior to enactment of L. D. 1994 and, thereby, return control and primary responsibility for education to the local level.