

MAINE STATE LEGISLATURE

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(EMERGENCY)

ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 1174

H. P. 977

House of Representatives, March 23, 1977

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

EDWIN H. PERT, Clerk

Presented by Mr. Blodgett of Waldoboro.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-SEVEN

AN ACT to Provide for Small Unit Subsidy Adjustments.

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

Whereas, there is an urgent need for some small administrative units to receive additional state aid for the fiscal year 1978 and thereafter; 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. 20 MRSA § 3743, sub-§ 13, ¶ J, as enacted by PL 1975, c. 660, § 2, is amended to read:

J. Cost of geographic isolation adjustments; ~~and~~

Sec. 2. 20 MRSA § 3743, sub-§ 13, ¶ J-1 is enacted to read:

J-1. Cost of adjustments for small administrative units; and

Sec. 3. 20 MRSA § 3744, sub-§ 1, ¶ J-1 is enacted to read:

J-1. Cost of adjustments for small administrative units;

Sec. 4. 20 MRSA § 3747, sub-§ 3, 1st sentence, as last repealed and replaced by PL 1975, c. 754, § 1, is amended to read:

Established the basic education allocation for paragraphs A through G and

subsection 5 and the appropriations for paragraphs H through J K and subsections 4 and 7.

Sec. 5. 20 MRSA § 3747, sub-§ 3, ¶ K is enacted to read:

K. Adjustments for small administrative units.

Sec. 6. 20 MRSA § 3748, sub-§ 3, ¶ F is enacted to read:

F. The small unit subsidy adjustment shall be an alternative to the subsidy computation provided in subsection 1, paragraphs A and B; subsection 2 and paragraphs A to E, and the computation for special education local program costs as provided in subsection 1, paragraph C, subparagraph (1). Any unit eligible for the small unit subsidy adjustment may have its allocation determined according to this subsection by written request to the commissioner prior to October 15th in the year of allocation of funds.

(1) A unit shall be eligible for the small unit subsidy adjustment if it is:

- (a) Operating an elementary school with 25 pupils or less in grades K-8 in the year immediately prior to the year of allocation of funds;
- (b) Not operating an elementary school and has 25 pupils or less in grades K-8 in the year prior to the year of allocation of funds; or
- (c) Not operating a secondary school and has 25 pupils or less in grades K-8 in the year prior to the year of allocation of funds.

(2) The small unit subsidy adjustment shall be computed as follows:

- (a) Multiply the state average elementary teachers' salary, as determined by the commissioner, in the year prior to the year of allocation by $5/3$;
- (b) Multiply the number of elementary and secondary students for whom the unit pays tuition, excluding tuition for special education tuition and board, who are enrolled on October 1st of the year of allocation, by the basic elementary and secondary per pupil operating rates respectively or by the actual cost of tuition payment in the year of allocation, whichever is less. Reimbursement for the costs of special education tuition and board shall be computed separately from the small unit subsidy adjustments by the method provided in subsection 1, paragraph C, subparagraph (1);
- (c) The sum of (a) and (b) shall be the maximum allocation to the unit for purposes of operating costs based on the small unit subsidy adjustments.

(3) A contingent account for small unit subsidy adjustments shall be established within the department.

(4) Any local administrative unit is authorized to expend any funds received as a small unit subsidy adjustment without calling for a special meeting of the local legislative body. All units shall be prorated, if necessary, to remain within the sum appropriated for this adjustment.

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

STATEMENT OF FACT

The purpose of this bill is to permit certain small units to have their allocations based on more recent data than that which is used in the regular allocation process. Units would request small unit subsidy adjustments by October 15th of the year of allocation. Because the adjustments are made during the year of allocation of funds, actual enrollment figures and tuition charges can be used to determine the allocation. This more recent data would reflect the actual costs to the units and provide for allocations more closely related to those actual costs.

The bill provides for the Legislature to appropriate annually an amount for small unit subsidy adjustments. This appropriation becomes one of the items required to be identified and funded under the general school finance act.

It is projected that enactment of this bill will cost \$106,000.