

MAINE STATE LEGISLATURE

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ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 1852

H. P. 1654

House of Representatives, June 3, 1977

Approved for introduction by a Majority of the Legislative Council pursuant to Joint Rule 25. The Committee on Education suggested.

EDWIN H. PERT, Clerk

Presented by Mr. Palmer of Nobleboro.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-SEVEN

AN ACT Concerning State Reimbursement and Executive and Legislative
Deadlines under the School Finance Act of 1976.

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

Sec. 1. 20 MRSA § 3742, next to the last ¶, as enacted by PL 1975, c. 660, § 2, is repealed and the following enacted in its place:

It is further the intent of the Legislature that the basic education appropriation for elementary and secondary operating costs, as annually established by the Legislature, shall be an amount sufficient to meet the level of such costs in the year immediately prior to the year of allocation.

Sec. 2. 20 MRSA § 3744, sub-§ 1, 1st sentence, as enacted by PL 1975, c. 660, § 2, is amended to read:

The commissioner shall annually, prior to ~~January~~ December 15th, notify the Legislature and the Bureau of the Budget of actual education costs as defined.

Sec. 3. 20 MRSA § 3745, 1st and 2nd ¶¶, as repealed and replaced by PL 1975, c. 746, § 24-E, are repealed and the following enacted in their place:

The commissioner, with the approval of the State Board of Education, shall also certify annually, prior to January 1st, to the Legislature and the Bureau of the Budget his recommendation for the funding levels recommended for section 3744, subsection 1, each of paragraphs A, B, I, J and O, and for the state's maximum obligation under section 3748, subsection 4.

The requested funding levels for section 3744, subsection 1, paragraphs C, D, E, F and K and the requested funding level of the insured value factor and leases under paragraph G shall be the reported expenditures for such programs in the base year. The requested funding level of principal and interest payments under section 3744, subsection 1, paragraph G, shall be computed by computing both known obligations and the estimate of anticipated principal and interest costs for the year of allocation of funds. The commissioner shall have the authority to correct errors revealed by audit in administrative units when compiling actual education costs. The commissioner shall have the authority to amend any estimate where he believes such estimate to be unreasonable.

Sec. 4. 20 MRSA § 3745, last ¶, as enacted by PL 1975, c. 660, § 2, is amended to read:

The recommendation for elementary and secondary operating costs shall reflect the commissioner's best estimate as to changes in pupil enrollment, economic factors, adjustments based on actual changes in education costs and any other considerations which might effect a change in the costs of education. The commissioner shall be ever conscious of the need for prudent restraint in educational financing.

Sec. 5. 20 MRSA § 3746, as enacted by PL 1975, c. 660, § 2, is amended to read:

§ 3746. Governor's recommendation

The Bureau of the Budget shall, prior to ~~February 15th~~ **January 31st**, certify to the Legislature the recommendation of the Governor for the funding levels for section 3744, subsection 1, paragraphs A to K and for the state's maximum obligation under section 3748, subsection 4. The Governor's recommendation may be to reduce, increase or approve any of the funding levels recommended by the commissioner.

Sec. 6. 20 MRSA § 3747, 1st ¶, as last amended by PL 1977, c. 48, § 1, is further amended to read:

The Legislature shall annually, prior to ~~April 14th~~ **May 1st** enact legislation which shall:

Sec. 7. 20 MRSA § 3747, sub-§ 6, last sentence, as last repealed and replaced by PL 1975, c. 754, § 2, is repealed as follows:

~~The Legislature shall allocate 90% of the amounts established for subsection 4 and subsection 3, paragraphs C, D, E and F, subparagraph (1)~~

Sec. 8. 20 MRSA § 3748, sub-§ 1, ¶ C, 1st sentence, as enacted by PL 1975, c. 660, § 2, is repealed and the following enacted in its place:

The unit allocation for each of the following items shall be the same amount as is contained in the commissioner's certification of actual costs for the base year, except that if the Legislature increases the commissioner's recommendation for any item, the unit allocation shall be increased by the same percent-

age increase established by the Legislature and if the Legislature decreases the commissioner's recommendation for any item the unit allocation shall be decreased by the same percentage decrease established by the Legislature.

Sec. 9. 20 MRSA § 3748, sub-§ 1, ¶ C, sub-¶ (1) 2nd ¶, as repealed and replaced by PL 1975, c. 746, § 24-H, is repealed as follows:

~~Reimbursement for both special education programs operated or contracted for by the administrative unit and for special education tuition and board shall be limited to 90% of the estimated costs, as adjusted by the commissioner, or 90% of the actual expenditures, whichever is less. Special education tuition and board shall be reimbursed in the year of allocation. In no event shall a local unit be responsible for contracted special education tuition and board in an amount greater than \$500 per pupil for any pupil for whom the unit has contracted. Any amount exceeding \$500 per pupil for any pupil shall be entirely reimbursed.~~

Sec. 9-A. 20 MRSA § 3748, sub-§ 1, ¶ C, sub-¶ (2), 1st ¶, as enacted by PL 1975, c. 660, § 2, is repealed as follows:

~~(2) Vocational education. Reimbursement for vocational education shall be limited to 90% of the estimated costs or 90% of the actual expenditures, whichever is less.~~

Sec. 10. 20 MRSA § 3748, sub-§ 1, ¶ C, sub-¶ (2), 2nd ¶, as repealed and replaced by PL 1975, c. 746, § 24-I, is repealed as follows:

~~Any vocational center shall have the authority to bill its member units in proportion to the number of students served, on October 1st and April 1st of the year immediately prior to the year of allocation, for any reduction in vocational education subsidies. Vocational regions shall have the same authority to bill vocational centers when there is a reduction in vocational education subsidies. If any bill is not paid within 30 days after submission, the vocational center may appeal to the commissioner under the 3rd paragraph of section 1292.~~

Sec. 10-A. 20 MRSA § 3748, sub-§ 1, ¶ C, sub-¶ (3), as enacted by PL 1975, c. 660, § 2, is repealed as follows:

~~(3) Transportation of pupils, including the purchase of buses. Reimbursement for transportation operating costs shall be limited to 90% of the estimated costs or 90% of the actual expenditures, whichever is less.~~

Sec. 11. 20 MRSA § 3748, sub-§ 2, 3rd and 4th sentences, as repealed and replaced by PL 1975, c. 746, § 24-K, are repealed as follows:

~~Adjustments to reflect actual expenditures for items in subsection 1 shall be made in the December and June subsidy payments. One half of the adjustment amount shall be made in December with the remainder distributed during the remaining months of the fiscal year.~~

Sec. 12. 20 MRSA § 3748, sub-§ 11, 1st sentence, as repealed and replaced by PL 1975, c. 754, § 5, is amended to read:

The commissioner shall annually, or on before ~~April~~ **May** 15th, notify the school committees or school directors of each administrative unit of the amount allocated to the unit.

STATEMENT OF FACT

The purpose of this bill is to:

1. Base the state's reimbursement for categorical program expenditures, except for debt service and bus purchases on 2-year old costs as adjusted by the Legislature; and
2. Adjust deadlines for education cost recommendations to conform with overall budget presentation deadlines with a May 1st deadline for the Legislature's establishment of education subsidy funding.