

# MAINE STATE LEGISLATURE

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L.D. 2022

STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
108TH LEGISLATURE  
SECOND REGULAR SESSION

(Filing No. H-1055)

COMMITTEE AMENDMENT "A" to H.P. 1943, L.D. 2022, Bill,  
"AN ACT Relating to the Funding of Education."

Amend the Bill in section 8 in that part designated  
"§4743." by striking out all of the first 2 lines of  
subsection 5 and inserting in their place the following:

'5. Basic education allocation. "Basic education  
allocation" shall mean the total amount of the state-local  
allocation for the following programs:'; and by inserting  
after subsection 10 the following:

'11. Institutional resident. "Institutional resident"  
shall mean any person between the ages of 5 and 20 who is  
attending a public school of the administrative unit and who  
is committed or otherwise legally admitted to, and residing  
at, any state-operated institution. This shall not include  
students attending private facilities, regardless of  
the means of placement.'; and by renumbering subsections 11 to  
19 to be subsections 12 to 20; and by striking out all of the  
last underlined paragraph of subsection 15; and by striking  
out in the last 2 lines of subsection 19 (last line in L.D.)  
the underlined words/<sup>figures</sup> and punctuation "section 4748 and 4749,  
subsections 1 and 3." and inserting in their place the following:  
'sections 4748 and 4749.'

Further amend the Bill in section 8 in that part designated "§4743." by striking out in the next to the last line of the first paragraph of subsection 20 (last 2 lines in L.D.) the underlined words, figures and punctuation "section 4748, subsection 5" and inserting in their place the following 'section 4751, subsection 1, paragraph C'; and by inserting after subsection 19 the following:

'21. State-operated institution. "State-operated institution" shall include any residential facility or institution which is operated by the Department of Mental Health and Corrections.'; and by renumbering subsections 20 to 22 to be 22 to 24; and by inserting after the underlined word "approved" in the next to the last line of subsection 21 (last line in L.D.) the underlined words 'secondary school'

Further amend the Bill in section 8 in that part designated "§4744." by striking out all of subparagraph (2) of paragraph D of subsection 1 and inserting in its place the following: '(2) Tuition and board for pupils placed directly by the state in accordance with rules and regulations adopted by the commissioner and special education tuition and other tuition for institutional residents of state-operated institutions attending programs in administrative units in accordance with rules and regulations adopted by the commissioner.'; and by striking out all of paragraph N of subsection 1 and inserting in its place the following: 'N. Local and state funds raised under section 4751, subsection 3; and'; and by striking out all of paragraph O of subsection 1 and inserting in its place

the following: 'O. Local funds raised under section 4752.'; and by striking out all of subsection 2 and inserting in its place the following:

'2. Additional information. The commissioner shall provide any additional information as requested by the Legislature.'

Further amend the Bill in section 8 in that part designated "§4745." by striking out all of the first 3 lines (first 2 lines in L.D.) and inserting in their place the following: '§4745. Commissioner's recommendation for funding levels; computations; guidelines'; and by striking out in the 2nd line of subsection 1 (same in L.D.) the underlined word "advice" and inserting in its place the underlined word 'approval'; and by striking out in the next to the last line of paragraph A of subsection 2 (same in L.D.) the underlined words "and leases"; and by striking out in the 3rd line of paragraph D of subsection 2 (2nd line in L.D.) the underlined word "computing" and inserting in its place the underlined word 'adding'; and by adding at the end of subsection 2 the following: 'E. The requested funding level for leases under section 4744, subsection 1, paragraph G, shall be computed by using the level of leases approved by the commissioner for the year prior to the year of allocation.'

Further amend the Bill in section 8 in that part designated "§4746." by striking out all of the last sentence and inserting in its place the following:

'The Governor's recommendation shall be transmitted to the Legislature within the time schedule set by Title 5, section 1666.'

Further amend the Bill in section 8 in that part designated "§4747." by striking out all of subsection 11 and inserting in its place the following:

'11. Appropriation for nonpublic school student services. Appropriate the necessary funds for reimbursement for nonpublic school student services as authorized by section 4750, subsection 6;

12. Appropriation for pupils placed directly by the state and for institutional residents. Tuition and board for pupils placed directly by the State in accordance with rules and regulations adopted by the commissioner and special education tuition and other tuition for institutional residents of state-operated institutions attending programs in administrative units in accordance with rules and regulations adopted by the commissioner.'

Further amend the Bill in section 8 in that part designated "§4748." by striking out in the 2nd and 3rd lines of the first paragraph (2nd line in L.D.) the underlined words, **figures** and punctuation "subsections 1 and 3,"; and by striking out all of the first paragraph of paragraph B and subparagraph (2) and divisions (a) and (b) of subsection 5 and inserting in their place the following:

'B. A vocational center or region shall be able to bill other units in the manner authorized in subparagraph (1).' ; and by inserting after the underlined word "any" in the 2nd line of subparagraph (1) of paragraph B of subsection 5 the underlined words 'legislatively approved' (first line in L.D.); and by

striking out all of paragraph D of subsection 5; and by striking out all of paragraph B of subsection 6 and inserting in its place the following:

'B. Reimbursement for expenditures for bus purchases shall be limited to the total of expenditures for purchases approved by the commissioner and made during the year prior to the year of allocation.'; and by inserting at the end of the first

line of subsection 7, before the period, the following:

'; reimbursement for lease costs'; and by adding at the end of subsection 7 the following:

'C. Reimbursement for lease costs shall be limited to total lease expenditures approved by the commissioner and made during the year prior to the year of allocation.'

Further amend the Bill in section 8 by inserting after that part designated "\$4748." the following:

'\$4748-A. Computation allocation and requested funding levels

Notwithstanding any other provision of this chapter, for the year beginning July 1, 1978, and ending June 30, 1979, only, the state-local allocation to each administrative unit prior to adjustments under section 4749 shall be computed for the following items by the commissioner,

1. Special education; vocational education; transportation; debt service. The unit allocation for each of the following items shall be the same amount as is contained in the commissioner's recommendation of education costs, except that, if the Legislature increases the commissioner's recommendation for any item, the unit allocation shall be increased by the same percentage 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. In the event the Legislature appropriates for the transportation of pupils an amount which differs from the commissioner's recommendation, the percentage of increase or decrease in the amount shall apply only to the operating cost and not to the purchase of buses.

A. 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 for state wards and other pupils placed directly by the State shall be paid by the State in the year of allocation at 100% of the actual cost. 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. In the state's fiscal year 1979, an administrative unit's state subsidy for special education tuition and board shall be based on the amount of money which it expended for special education tuition and board in

fiscal year 1978 or the amount of money it will expend for special education tuition and board in the fiscal year 1979, whichever is less. Medical costs shall not be allowable as a part of a tuition charge.  
B. Reimbursement for vocational education shall be limited to 90% of the estimated costs or 90% of the actual expenditures, whichever is less.

Any vocational center shall have the authority to bill its member units for any <sup>legislatively approved</sup> reduction in vocational education subsidies in proportion to the number of students served on October 1st and April 1st of the year immediately prior to the year of allocation. Any vocational region shall have the same authority to bill vocational centers for any students which they may send to the region for vocational education programs.

If any bill authorized under this → paragraph is not paid within 30 days after submission, the vocational center or region may appeal to the commissioner under section 1292.

Expenditures for the first 6 months and expenditure estimates for the next 6 months as submitted by vocational regions, or member units of those regions, shall be used in computing transportation reimbursements to the regions for the fiscal year 1978 and thereafter, notwithstanding any other section of this Title. The commissioner is authorized to obtain expenditures and estimates and to make the necessary adjustments in vocational education cost estimates in accordance with the definition of vocational education costs for subsidy purposes.



C. Reimbursement for transportation operating costs shall be limited to 90% of the estimated costs or 90% of the actual expenditures, whichever is less.

D. Principal and interest costs for approved major capital projects shall be reimbursed in the year of allocation.

Reimbursement for lease expenditures shall be no greater than the expenditure during the fiscal year 1977 only.

2. Requested funding levels. Notwithstanding section 4745, for the year beginning July 1, 1978, and ending June 30, 1979, the requested funding levels for the items in subsection 1 shall be as follows:

A. The requested funding levels for section 4744, subsection 1, paragraph C; paragraph D, subparagraph (1); and paragraphs E and F; and the requested funding level of the insured value factor and leases under paragraph G shall be computed by adding the actual costs for the first half of the year prior to the year of allocation of funds to the total estimated costs that will be incurred for the 2nd half of the same year.

B. The requested funding level of principal and interest payments under section 4744, subsection 1, paragraph G, shall be computed by adding both known obligations and the estimate of anticipated principal and interest costs for the year of allocation of funds.

C. The commissioner shall have the authority to amend any estimate where he believes the estimate is unreasonable.'

Further amend the Bill in section 8 in that part designated "§4749." by striking out all of the first underlined paragraph and inserting in its place the following:

'Adjustments to the state-local allocation shall be made as allowed in subsections 1 to 8. No unit shall be eligible for the adjustments identified in subsections 2, 4, 5, 6 and 8 unless it has raised the maximum amount of its local allocation.'; and by striking out in the first line of paragraph A of subsection 2 (same in L.D.) the underlined word "advice" and inserting in its place the underlined word 'approval'; and by striking out in the last 2 line of paragraph C of subsection 2 (last line in L.D.) the underlined words "base year" and inserting in their place the underlined words 'year of allocation'; and by striking out in the last line of paragraph B of subsection 3 the underlined words "are in total" and inserting in their place the underlined words 'are to total'; and by striking out all of the first underlined sentence of paragraph C of subsection 3 and inserting in its place the following: 'The amount subtracted under paragraph B may not exceed 90% of the unit's entitlement for the base year.'; and by adding at the end of subsection 4 the following: 'E. Notwithstanding any other provision of this section, the commissioner may use any unexpended balance in the amount appropriated for unusual enrollment increases to reimburse any unit which:

- (1) Has experienced an unusual enrollment increase;
- (2) Has not raised the maximum amount of its local allocation; and
- (3) Has received any state allocation.';

and by striking out in the 2nd line of paragraph A of subsection 7 (same in L.D.) the underlined word and figure "subsection 3" and inserting in their place the following 'subsection 4'

Further amend the Bill in section 8 in that part designated "§4750." by striking out in the last line of paragraph C of subsection 4 the underlined word "or" and inserting in its place the underlined word 'and'; and by striking out all of subsection 6 and inserting in its place the following:

'6. Nonpublic school student service reimbursements.  
Notwithstanding any other provision of this chapter, the commissioner shall reimburse 50% of the expenditures of the base year as reported by the municipal officers on forms provided by the commissioner for providing any of the services to nonpublic school pupils authorized by Title 30, section 5104, subsections 5 through 8, provided the students attend nonpublic schools that are not operated for profit in whole or in part.  
The total amount reimbursed under this section shall not exceed the level of funds appropriated for this item under section 4747, subsection 11. The municipal officers shall submit documentation demonstrating the amount of money appropriated for nonpublic school student services for the year of reimbursement. The commissioner is authorized to promulgate reasonable rules and regulations to assure that all sums

reimbursed were utilized and actually expended for programs authorized pursuant to Title 30, section 5104, subsections 5 through 8; that no municipality receives reimbursement under this section for any student who attends a nonpublic school at public expense and that all services provided to nonpublic school students that require professional personnel be provided by persons who are public employees.

7. Private school transportation payments; other payments for services to private school students. Notwithstanding any other provision of this chapter, for the year beginning July 1, 1978, and ending June 30, 1979, the commissioner shall reimburse 90% of the expenditures for private school transportation for the year prior to the year of allocation. For the year beginning July 1, 1979, and ending June 30, 1980, the commissioner shall reimburse 50% of the expenditures of the year immediately prior to the year of allocation for those items subject to reimbursement under subsection 6. These expenditures shall be computed by adding the actual costs for the first half of that year to the total estimated costs that will be incurred for the 2nd half of that year as reported by any municipality for providing the transportation of school children to and from schools other than public schools, except such schools as are operated for profit in whole or in part. A municipality shall be limited to 90% of the estimated costs, as adjusted by the commissioner, or 90% of the actual expenditure, whichever is less. The total amount reimbursed under this subsection shall not exceed the level of funds appropriated for this item under section 4747, subsection 11.; and by inserting after subsection 7

the following:

'9. Education of institutional residents. The commissioner is authorized to pay tuition to administrative units for institutional residents, as defined in section 4743, subsection 11, and within the limits of the appropriation made under section 4747, subsection 12.; and by striking out all of subsection 9; and by renumbering subsection 7 to be subsection 8 and subsections 8, 10 and 11 to be subsections 10, 11 and 12.

Further amend the Bill in section 8 in that part designated "§4751." by inserting after the underlined words "state-local allocation" in the next to the last line of paragraph C of subsection 1 (last line in L.D.) the underlined words 'as adjusted by section 4749'; and by striking out all of subsection 3 in its entirety and inserting in its place the following:

'3. Local leeway.

A. The legislative body of an administrative unit may, in addition to the unit's state-local allocation under sections 4748 and 4749, authorize an additional expenditure for either elementary or secondary pupils, or both, not to exceed a local appropriation for each municipality of 1.3 mills on the state valuation in effect on July 1st or \$125 per pupil, whichever is less, for the 1978-79 year of distribution. No unit shall participate in local leeway unless it has raised the maximum amount of its local allocation, as computed by the commissioner under subsection 1, paragraph A.

B. Such local appropriations shall be divided

equally over a 12-month period.

C. The funds appropriated under this subsection shall be called "local leeway."

(1) The purpose of these appropriations is to provide that all administrative units may raise and appropriate at least the amount per pupil established at the computed mill rate for that year under this subsection to supplement the adjusted allocations when necessary in the judgment of the local administrative units.

(2) The amount appropriated by the Legislature under section 4747, subsection 6, shall be the maximum state obligation under this subsection.

D. If the authorization for additional funds by an administrative unit under this subsection exceeds the maximum levy for any municipality within the administrative unit, the commissioner shall add to the allocation of the unit for the unit's fiscal year a sum which equals the excess over the maximum levy of any municipality within the unit.

E. Administrative units are authorized to establish an "accounts receivable" in anticipation of state aid under this subsection when the fiscal year closes on June 30th.

F. If the additional school levy authorized under this subsection fails to produce the amount per pupil established at the computed mill rate for that year under this subsection, the commissioner shall add to the allocation of the unit for the unit's fiscal year a sum which, when combined with the local levy under this section, shall equal the amount

per pupil established at the computed mill rate for that year under this subsection. This sum shall be paid annually to the administrative unit no later than December 31st for the previous 12-month period.

G. If the administrative unit raises less than the maximum allowed under this subsection, the levy on any municipality within the administrative unit shall be in the same proportion as the municipality's share is to the total when the maximum amount allowed is raised.

H. If the administrative unit raises less than the maximum allowed under this subsection, the State shall pay its share in the same proportion to the maximum state share that the amount raised locally is to the maximum local share.

I. An article in substantially the following form is to be used when any municipality, School Administrative District or community school district is considering the appropriation of additional local funds under this subsection:

Article : To see what sum the municipality or district shall appropriate from local leeway for school purposes (recommended total \$ \_\_\_\_\_, local share \$ \_\_\_\_\_, state share \$ \_\_\_\_\_), and to see if the municipality or district shall raise the local share of \$ \_\_\_\_\_.'

Further amend the Bill in section 8 in that part designated "§4753." by inserting after the underlined words <sup>"The assessment</sup> schedule " in the first line of subsection 1 the underlined words 'based on the budget'

Further amend the Bill in section 8 in that part designated "§4754." by striking out in the first line of subsection 2

the underlined figure "4753" and inserting in its place the underlined figure '4757'

Further amend the Bill in section 8 in that part designated "§4755." by striking out all of paragraph B of subsection 2 and inserting in its place the following:

'B. School budgets in all school administrative units shall be adopted on or before June 30th of each year, except that school budgets of vocational regions shall be adopted on or before July 31st of each year.; and by striking out all of paragraph A of subsection 3 and inserting in its place the following:

'A. Except as provided in subsection 4, the budget format shall be that prescribed by a majority of the school directors or school committee members until such time as an article prescribing the school budget format is approved by a majority of voters in an election in which the total vote is equal to or greater than 20% of the number of votes cast in the municipality at the most recent gubernatorial election, or 200, whichever is less.'; and by inserting at the end of subsection 4, before the period, the following: 'except that the amendment shall be approved by a majority of voters in an election in which the total vote/<sup>is</sup>equal to or greater than 20% of the number of votes cast in the municipality at the most recent gubernatorial election'



Further amend the Bill in section 8 in that part designated "§4756." by striking out all of the first underlined paragraph and inserting in its place the following:

¶ 'For administrative units in which the school budget is finally approved by the voters, a special meeting to reconsider action taken on the budget may be called under the following conditions and by the following procedures set forth in this section.'; and by striking out all of subsection 7 and renumbering subsection 8 to be subsection 7.

Statement of Fact

The purposes of this amendment are to provide for:

1. Reimbursement of the educational costs of institutional residents based on the total costs in/year of allocation;  
the
2. Reimbursement for the costs of leases at the level of approved leases in the year prior to the year of allocation;
3. Deletion of language specifying legislative intent relating to teacher retirement costs;
4. Reimbursement for the costs of buses at the level of the total amount of purchases approved in the year prior to the year of allocation;
5. Reimbursement in fiscal year 1979 of special education local programs, special education tuition and board, vocational education, transportation and private school transportation at 90% of the levels of the year prior to the year of allocation;
6. Reimbursement in fiscal year 1980 of special education

local programs, special education tuition and board, vocational education and transportation at the level of the base year expenditures;

7. Reimbursement of services to nonpublic school students in fiscal year 1980 at 50% of the prior year level and in fiscal year 1981 and afterward at 50% of the base year expenditure level;

8. The establishment of local leeway at 1.3 mills or \$125 per pupil per mill (this change brings the state share of local leeway back to the level of this year.)

9. Changing the education funding cycle to coincide with the other portions of the state budget;

10. Clarifying the timing of the adjustments made to the state-local allocation;

11. State Board of Education approval of the commissioner's recommended funding levels and the commissioner's determination of units which are geographically isolated;

12. The establishment of a school budget adoption date of June 30th for all units except vocational regions which may adopt budgets on or before July 31st; and

13. Clarifying the procedures for changing the school budget format and reconsideration of school budgets in order to be consistent with Title 30.

Reported by the Majority of the Committee on Education.

Reproduced and distributed under the direction of the Clerk of the House.  
2/17/78