

# MAINE STATE LEGISLATURE

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(EMERGENCY)  
SECOND REGULAR SESSION

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ONE HUNDRED AND EIGHTH LEGISLATURE

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**Legislative Document**

**No. 2204**

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S. P. 755

In Senate, March 17, 1978

Reported by Senator Katz of Kennebec from the Committee on Education pursuant to Joint Order S. P. 753 and printed under Joint Rules No. 2.

MAY M. ROSS, Secretary

Reported out by Joint Standing Committee on Education pursuant to S. P. 753.

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STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-EIGHT

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**AN ACT Creating an Interim Education Finance Commission.**

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

Whereas, recent legislative interim commissions which have studied the financing of education have focused on the uniform property tax as a major source of revenue and an allocation formula based primarily on per pupil costs as the principal instrument for distributing funds; and

Whereas, the uniform property tax has been repealed and, partly as a result of its repeal, serious questions have been raised about continuing the same method of allocating funds; and

Whereas, a sound method of financing education is necessary for Maine children; 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 vitally 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. Commission established.** There is created the Education Finance Commission, hereinafter known as the "commission."

**Sec. 2. Membership.** The commission shall be composed of 15 members, as follows: One member from the Maine Municipal Association, one member from the Maine Teachers Association, 2 members who are members of local school boards or committees, 2 members who are presently assessors in Maine municipalities, one superintendent of schools, 2 members of the Joint Standing Committee on Education, 2 members of the Joint Standing Committee on Taxation and 4 members from the general public.

**Sec. 3. Appointment.** The members shall be appointed as follows: The members from the Maine Municipal Association and the Maine Teachers Association shall be appointed respectively by these 2 organizations. The member who is a superintendent of schools shall be appointed by the Maine School Management Association. One member of a local school board or committee, one local assessor, one member of the Joint Standing Committee on Education, one member of the Joint Standing Committee on Taxation and 2 members from the general public shall be selected by the President of the Senate. One member of a local school board or committee, one local assessor, one member of the Joint Standing Committee on Education, one member of the Joint Standing Committee on Taxation and 2 members from the general public shall be appointed by the Speaker of the House.

The members shall be appointed in a timely manner and the commission shall hold an organizational meeting within 30 days after the adjournment of the Legislature at the call of the Chairman of the Legislative Council. At this meeting, the commission shall elect a chairman and a vice-chairman from within the membership.

**Sec. 4. Duties.** The commission shall:

1. **Current education finance law.** Review the current education finance law to assess the affect of the repeal of the uniform property tax and the changes made during the Second Regular Session of the Legislature and to identify further needed changes;

2. **Other methods of financing public education.** Review methods of financing public education in other states for the purposes of providing an alternative to the existing finance law;

3. **Financing teacher retirement costs.** Evaluate alternative methods of financing teacher retirement costs;

4. **Costs sharing methods.** Review methods of sharing costs in school districts;

**5. Alternative tax sources.** Evaluate the use of alternative tax sources, including, but not limited to, the use of a capital gains tax on the sale of property and local income taxes; and

**6. Other studies and evaluations.** Make any other studies and evaluations necessary to fully assess the existing law and prepare amendments or an alternative to it which would assure the State of the soundest possible method of financing education.

**Sec. 5. Reports.** The commission shall present its findings, together with any suggested legislation, to the First Regular Session of the 109th Legislature.

**Sec. 6. Compensation of members.** Members shall receive reimbursement for the necessary actual expenses incurred in carrying out their duties.

**Sec. 7. Assistance.** All executive departments are directed to give prompt assistance to the commission.

**Sec. 8. Staff.** The commission is authorized to use expert assistance, including, but not limited to, the staff of the National Conference of State Legislatures and the Education Commission of the States.

**Sec. 9. Acceptance of funds.** The commission is authorized to accept funds from any agency of the United States, from any private foundation and from any other public or private source for the purposes of carrying out this Act.

**Sec. 10. Appropriation.** There is appropriated from the General Fund to the Education Finance Commission the sum of \$15,000 to carry out the purposes of this Act.

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

#### STATEMENT OF FACT

The purposes of this bill are to:

1. Establish an Education Finance Commission;
2. Direct the commission to evaluate the existing education finance law and recommend any amendments or an alternative to the law, if necessary; and
3. Report to the First Regular Session of the 109th Legislature.