

# MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION  
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3 ONE HUNDRED AND ELEVENTH LEGISLATURE  
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5 Legislative Document

No. 1588

6  
7 H.P. 1197

House of Representatives, May 11, 1983

8 Reported by Representative Thompson from the Committee on  
9 Education. Sent up for concurrence and ordered printed.

10 EDWIN H. PERT, Clerk

Reported from the Joint Standing Committee on Education pursuant to  
Joint Rule 18.

11  
12 STATE OF MAINE  
13

14 IN THE YEAR OF OUR LORD  
15 NINETEEN HUNDRED AND EIGHTY-THREE  
16

17 AN ACT to Reform the School Finance Act.  
18

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

21 PART A

22 / Sec. 1. 20-A MRSA §15509, sub-§1, ¶A, as enacted  
23 by PL 1981, c. 693, §§5 and 8, is amended to read:

24 A. If a school administrative unit's average  
25 elementary or secondary per pupil operating cost  
26 in the base year is less than the basic elemen-  
27 tary or secondary per pupil operating rate, the  
28 unit's per pupil state-local allocation for ele-  
29 mentary or secondary pupils respectively shall be  
30 limited to an amount which equals:

31 (1) The unit's average elementary or  
32 secondary per pupil operating costs for the  
33 base year; plus

1 (2) An amount equivalent to  $\frac{1}{3} \frac{1}{2}$  of the  
2 difference between:

3 (a) The unit's per pupil elementary or  
4 secondary cost for the base year, as  
5 adjusted; and

6 (b) The basic elementary or secondary  
7 per pupil operating rate respectively.

8 Sec. 2. 20-A MRSa §15510, sub-§3, ¶A is enacted  
9 to read:

10 A. The state allocation for each administrative  
11 unit is limited to the same proportion that the  
12 local appropriation for the local allocation is  
13 to the maximum local allocation.

14 Sec. 3. 20-A MRSa §15512, sub-§2, as enacted by  
15 PL 1981, c. 693, §§5 and 8, is repealed.

16 PART B

17 Sec. 1. 20-A MRSa §15502, sub-§2, as enacted by  
18 PL 1981, c. 693, §§5 and 8, is amended to read:

19 2. Amount of basic education allocation. It is  
20 the intent of the Legislature that the basic educa-  
21 tion allocation for elementary and secondary oper-  
22 ating costs, as annually established by the Legis-  
23 lature, and special education, vocational education  
24 and transportation operation costs shall be an amount  
25 sufficient to meet the level of the costs in the year  
26 prior to the year of allocation.

27 Sec. 2. 20-A MRSa §15505, sub-§3, as enacted by  
28 PL 1981, c. 693, §§5 and 8, is amended to read:

29 3. Estimate guidelines for elementary and  
30 secondary operating costs, special education, voca-  
31 tional education and transportation operation costs.  
32 The recommendation for elementary and secondary oper-  
33 ating costs, special education, vocational education  
34 and transportation operation costs shall reflect the  
35 commissioner's best estimate as to changes in pupil  
36 enrollment, economic factors, adjustments based on

1 actual changes in education costs and any other con-  
2 siderations which effect a change in the costs of  
3 education. The commissioner shall be ever conscious  
4 of the need for prudent restraint in educational  
5 financing.

6 Sec. 3. 20-A MRSA §15508, sub-§3, ¶A, as enacted  
7 by PL 1981, c. 693, §§5 and 8, is amended to read:

8 A. A school administrative unit's state-local  
9 allocation for each of the items identified in  
10 subsections 4 to 7, except as otherwise speci-  
11 fied, shall be ±00% of the actual expenditures  
12 during the base year as is contained in the com-  
13 missioner's recommendation of educational costs,  
14 as adjusted, subject to paragraph B.

15 Sec. 4. 20-A MRSA §15508, sub-§4, ¶A, as enacted  
16 by PL 1981, c. 693, §§5 and 8, is amended to read:

17 A. The special educational allocation shall be  
18 determined by multiplying the expenditures for  
19 special educational programs operated or con-  
20 tracted for by the school administrative unit and  
21 the expenditures for special educational tuition  
22 or board, or both, by the average of the percent-  
23 ages used in establishing the basic elementary  
24 per pupil operating rate and the basic secondary  
25 per pupil operating rate in sections 15505 and  
26 15507. Medical costs shall not be allowable as a  
27 part of a tuition charge.

28 Sec. 5. 20-A MRSA §15508, sub-§5, ¶A, as enacted  
29 by PL 1981, c. 693, §§5 and 8, is amended to read:

30 A. The vocational educational allocation shall  
31 be determined by multiplying the expenditures for  
32 vocational educational programs serving the  
33 school administrative unit by the percentage used  
34 in establishing the basic secondary per pupil  
35 operating rate in sections 15505 and 15507.

36 Sec. 6. 20-A MRSA §15508, sub-§6, ¶A, as enacted  
37 by PL 1981, c. 693, §§5 and 8, is amended to read:

38 A. The transportation allocation shall be deter-  
39 mined by multiplying the unit's expenditures for

1 transportation operating costs by the average of  
2 the percentages used in establishing the basic  
3 elementary per pupil operating rate and basic  
4 secondary per pupil operating rate in sections  
5 15505 and 15507.

6 PART C

7 Sec. 1. 20-A MRSA §15502, sub-§1, as enacted by  
8 PL 1981, c. 693, §§5 and 8, is amended to read:

9 1. Contributions from General Fund. It is the  
10 intent of the Legislature to provide at least 50% of  
11 the cost of the basic education allocation from Gen-  
12 eral Fund revenue sources or a percentage no less  
13 than that provided in the year prior to the year of  
14 allocation, whichever is greater. It is the intent  
15 of the Legislature to provide at least 40% of the  
16 cost of local leeway from General Fund revenue  
17 sources.

18 Sec. 2. 20-A MRSA §15511, sub-§3, ¶A, as enacted  
19 by PL 1981, c. 693, §§5 and 8, is amended to read:

20 A. The legislative body of a school administra-  
21 tive unit may, in addition to that unit's  
22 state-local allocation, authorize an additional  
23 expenditure for elementary or secondary pupils,  
24 or both, not to exceed a local appropriation for  
25 each municipality of 1.2 mills on the state  
26 valuation in effect on July 1st or \$125 per  
27 pupil, a mill rate, rounded to the nearest  
28 hundredth of a mill, on the state valuation,  
29 established by the commissioner or a per pupil  
30 dollar amount based on \$145 in the base year  
31 1983-84 adjusted each year in accordance with  
32 section 15505, subsection 3, whichever is less,  
33 for the 1980-81 year of distribution. A school  
34 administrative unit may not participate in local  
35 leeway unless it has raised the minimum amount of  
36 its local allocation, as computed by the commis-  
37 sioner under subsection 1, paragraph A, or as  
38 provided under subsection 1, paragraph D.

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FISCAL NOTE

Part A	\$10.7 mills state share
Part B	\$ 3.5 mills state share
Part C	\$ 1.1 mills state share

STATEMENT OF FACT

Part A changes the state's computation of the state average per pupil operating costs to include all operation costs. This will benefit all unit's spending above the state average. It also changes the mechanism to aid below state average units by making available to them their own average expenditures plus 1/2 the difference up to the state average. If a unit does not budget the total amount available, their state and local shares will be reduced by the same proportion.

Part B adds the same inflation update to categorical programs, transportation operation, vocational education and special education, as is currently applied to general operating costs.

Part C guarantees that local leeway will be funded at 40%, the original intention of the Legislature when it enacted the School Finance Act. It also applies the same inflation adjustment to the dollar amount available per pupil as is currently applied to general operating costs. Similar to the method used in determining the local share of the state and local allocation, the Commissioner of Educational and Cultural Resources will establish a mill rate to meet the 40% and dollar amount per pupil established by statute.

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