

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

NO. 248

H.P. 196 House of Representatives, February 5, 1987
Reference to the Committee on Appropriations and
Financial Affairs suggested and ordered printed.

EDWIN H. PERT, Clerk
Presented by Representative McGOWAN of Canaan.
Cosponsored by Representative THISTLE of Dover-Foxcroft,
Senators DUTREMBLE of York and PERKINS of Hancock.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY-SEVEN

1 AN ACT Concerning the Calculation of the
2 Insured Value Factor in Public Tuition
3 Payments to Private Schools.
4

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

7 20-A MRSA §5806, sub-§2, as enacted by PL 1981,
8 c. 693, §§5 and 8, is amended to read:

9 2. Maximum allowable tuition. The maximum al-
10 lowable tuition charged to a school administrative
11 unit by a private school shall be the rate estab-
12 lished under subsection 1 or the state average per
13 public secondary student cost as adjusted, whichever
14 is lower, plus an insured value factor. The insured
15 value factor shall be computed by dividing 5% of the
16 insured value of school buildings and equipment by

1 the average number of pupils enrolled in the school
2 on October 1st and April 1st of the year immediately
3 before the school year for which the tuition charge
4 is computed. It may not exceed 7.5% 12.5% of a
5 school's legal tuition rate per student in any one
6 year 1988 to 1989 and 15% of a school's legal tuition
7 rate per student in 1989 to 1990.

8 STATEMENT OF FACT

9 Several of the State's private secondary schools
10 educate a substantial number of public school stu-
11 dents in areas which have no public secondary school.
12 These private schools receive the same tuition pay-
13 ment which a public secondary school receives when
14 accepting students from another school unit. In ad-
15 dition, these private schools receive an additional
16 amount called an insured value factor payment which
17 is equivalent to rent for use of their buildings and
18 equipment, because they receive no state construction
19 aid money.

20 The insured value factor payment is presently
21 capped at 7.5% of the tuition payment. While there
22 is good reason for placing a cap on these payments to
23 avoid paying for facilities valued far in excess of
24 the value of public school facilities, the 7.5% limi-
25 tation is unrealistically low. It represents less
26 than 1/2 the statewide average of public school in-
27 sured values.

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