

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

No. 1256

S.P. 405

In Senate, April 14, 1987

Reference to the Committee on Education suggested and ordered printed.

JOY J. O'BRIEN, Secretary of the Senate
Presented by Senator CLARK of Cumberland.

Cosponsored by Representative GOULD of Greenville, Senator MAYBURY of Penobscot, Representative LAWRENCE of Parsonsfield.

STATE OF MAINE

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

AN ACT to Make Adjustments in the School
Finance Act.

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

PART A

Sec. 1. 20-A MRSA §13405 is enacted to read:

§13405. Block grants for teachers' salaries

The commissioner shall allocate a block grant equal to \$500 times the number of full-time equivalent teachers, as defined in section 13502, subsection 2. Schools qualifying under this section are those defined in section 13502, subsection 1.

PART B

1
2 Sec. 1. 20-A MRSA §15603, sub-§12, as enacted by
3 PL 1983, c. 859, Pt. G, §§2 and 4, is amended to
4 read:

5 12. Foundation allocation. "Foundation alloca-
6 tion" means the total of actual local operating costs
7 and actual local program costs adjusted to the equiv-
8 alent of ~~the-year-prior-to~~ the year of allocation.

9 Sec. 2. 20-A MRSA §15605, sub-§2, as enacted by
10 PL 1983, c. 859, Pt. G, §§2 and 4, is amended to
11 read:

12 2. Funding level computations. The following are
13 the funding level computations that support the com-
14 missioner's funding level recommendations.

15 A. The foundation per pupil operating rate shall
16 be the summary of actual local operating costs of
17 all school administrative units of the base year
18 adjusted to ~~the-year-prior-to~~ their estimated
19 cost in the year of allocation divided by the av-
20 erage total resident pupils in sections 5104 and
21 6004 educated at public expense in kindergarten
22 to grade 12 on April 1st and October 1st of the
23 calendar year prior to the year of allocation.

24 (1) The elementary foundation per pupil op-
25 erating rate shall be the summary of actual
26 local operating costs of all school adminis-
27 trative units of the base year adjusted to
28 ~~the-year-prior-to~~ their estimated cost in
29 the year of allocation divided by the aver-
30 age total resident pupils in sections 5104
31 and 6004 educated at public expense in kin-
32 dergarten to grade 8 on April 1st and Octo-
33 ber 1st of the calendar year prior to the
34 year of allocation.

35 (2) The secondary foundation per pupil op-
36 erating rate shall be the summary of actual
37 local operating costs of all school adminis-
38 trative units of the base year adjusted to
39 ~~the-year-prior-to~~ their estimated cost in
40 the year of allocation divided by the aver-

1 age total resident pupils in sections 5104
2 and 6004 educated at public expense in
3 grades 9 to 12 on April 1st and October 1st
4 of the calendar year prior to the year of
5 allocation.

6 B. The requested funding levels for operating
7 costs under section 15604, subsection 1, para-
8 graph A, shall be the actual local operating
9 costs for the base year adjusted to the equiva-
10 lent of the-year-prior-to their estimated cost in
11 the year of allocation.

12 C. The requested funding levels for program
13 costs under section 15604, subsection 1, para-
14 graph B; section 15604, subsection 1, paragraph
15 C, subparagraph (1); section 15604, subsection 1,
16 paragraphs D, E and J, shall be the actual local
17 program costs for the base year adjusted to the
18 equivalent--of--the-year-prior-to their estimated
19 cost in the year of allocation; and under section
20 15604, subsection 1, paragraph F, for the year
21 prior to the year of allocation adjusted to the
22 year of allocation.

23 D. The requested funding levels for debt service
24 under section 15604, subsection 1, paragraph G,
25 shall be as follows:

26 (1) The known obligations and estimates of
27 anticipated principal and interest costs for
28 the year of allocation;

29 (2) The expenditures for the insured value
30 factor for the base year;

31 (3) The level of leases approved by the
32 commissioner for the year prior to the year
33 of allocation adjusted to the year of
34 allocation; and

35 (4) Funds allocated by the state board for
36 new school construction projects funded in
37 the current fiscal year.

38 E. The requested funding levels for special edu-
39 cation under section 15604, subsection 1, para-

1 graph C, subparagraphs (2) and (3), shall be com-
2 puted by estimating costs for the year of alloca-
3 tion.

4 F. The requested funding levels for adjustments
5 under section 15612 shall be computed by estimat-
6 ing costs for the year of allocation.

7 G. The requested funding levels for reimburse-
8 ment for private school services under section
9 15604, subsection 1, paragraph H, shall be the
10 actual costs for the base year.

11 Sec. 3. 20-A MRSA §15609, sub-§1, ¶B, as enacted
12 by PL 1983, c. 859, Pt. G, §§2 and 4, is amended to
13 read:

14 B. The local share of the allocation for program
15 costs shall be the actual local program costs in
16 the base year adjusted and bus purchase costs in
17 the year prior to the year of allocation adjusted
18 to the year of allocation multiplied by the local
19 share percentage determined in paragraph A or the
20 program millage limit established in section
21 15607 times the state valuation of the municipal-
22 ities in the administrative unit, whichever is
23 less.

24 (1) The program millage limit shall be the
25 mills derived by dividing 40% of the program
26 costs adjusted as defined in section 15603,
27 subsection 5, by the state valuation of all
28 municipalities.

29 PART C

30 Sec. 1. 20-A MRSA §15612, sub-§10 is enacted to
31 read:

32 10. Minor capital costs adjustment; guidelines;
33 limits; local authorization. The following provi-
34 sions apply to minor capital cost adjustment, guide-
35 lines, limits and location authorization.

36 A. If a school administrative unit petitions the
37 commissioner and demonstrates that the unit's mi-
38 nor capital costs will cause a budgetary hard-

1 ship, the commissioner may adjust the unit's
2 state share of state subsidy to include an amount
3 not to exceed those minor capital costs which ex-
4 ceed those which are normally expected.

5 B. The funds for the adjustment shall be limited
6 to the amount appropriated by the Legislature for
7 that purpose.

8 C. School boards may expend the funds allocated
9 without seeking approval from their legislative
10 bodies.

11 D. The funds may be used to supplant other local
12 dollars approved by the unit's legislative body
13 to cover the minor capital costs for which the
14 commissioner has approved additional state aid.

15 E. The commissioner shall establish rules which
16 define a hardship under this section. The defi-
17 nition shall take into consideration the spending
18 pattern of the unit for minor capital costs over
19 the past 5 years. The commissioner shall compute
20 the state average minor capital cost per student
21 to be used as a base line to judge whether a
22 unit's costs exceed what is reasonable to be cov-
23 ered under the unit's general operating costs.

24

STATEMENT OF FACT

25 Part A of the bill provides a block grant to as-
26 sist school administrative units to cover the cost of
27 teacher salaries.

28 Part B brings the funding formula calculation of
29 subsidizable cost up to an estimate of current year
30 expenditures.

31 Part C assists school administrative units to
32 cover the cost of extensive minor capital costs.

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