

MAINE STATE LEGISLATURE

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(New Draft of S.P. 70, L.D. 137)
FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

No. 1315

S.P. 435

In Senate, April 22, 1987

Reported by Senator Estes of York for the Committee on Education and printed under Joint Rule 2. Original Bill sponsored by Senator Clark of Cumberland. Cosponsored by: Senator Perkins of Hancock, Representative Soucy of Kittery, Representative Hichborn of LaGrange.

JOY J. O'BRIEN, Secretary of the Senate

STATE OF MAINE

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

AN ACT Relating to School Construction.

1
2

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

5 Sec. 1. 20-A MRSA §15905, sub-§1, ¶A, as re-
6 pealed and replaced by PL 1985, c. 737, Pt. A, §47,
7 is repealed and the following enacted in its place:

8 A. The state board, during each fiscal year, may
9 approve school construction projects for state
10 subsidy which total cost shall not exceed
11 \$55,000,000, except that this limitation may be
12 exceeded if the board determines that an emergen-
13 cy need exists as the result of such occurrences
14 as fire or natural disaster.

1 Sec. 2. 20-A MRS §15905, sub-§1, ¶A-1, as en-
2 acted by PL 1985, c. 780, §1, is repealed and the
3 following enacted in its place:

4 A-1. The \$55,000,000 maximum limitation in total
5 costs of school construction projects approved
6 for state subsidy shall be adjusted each year on
7 January 1st, for the projects to be approved be-
8 ginning July 1st, of the next fiscal year by the
9 estimated percentage increase or decrease in the
10 cost of construction materials, services and fi-
11 naning over the previous 3 calendar years. The
12 Commissioner of Administration shall determine
13 the increase or decrease in construction costs
14 using standard area indexes applicable to this
15 State. In no case may the allowed increase in
16 limitation exceed 5% nor may the \$55,000,000 max-
17 imum limitation for state-subsidized projects be
18 decreased.

19 Sec. 3. 20-A MRS §15905, sub-§1, ¶C is enacted
20 to read:

21 C. The board shall promulgate rules, in accord-
22 ance with the Maine Administrative Procedure Act,
23 Title 5, chapter 375, which shall encourage
24 school administrative units to develop long range
25 plans based on projected growth. The rules shall
26 require provisions to allow for construction of
27 schools which have adequate classroom space for
28 at least 5 years beyond completion of the new fa-
29 cilities.

30 Sec. 4. 20-A MRS §15914, first ¶, as amended by
31 PL 1985, c. 248, §11, is further amended to read:

32 ~~It is the intent of the Legislature that, not-~~
33 ~~withstanding any other statute, the debt service lim-~~
34 ~~it set forth in section 15905, subsection 1, para-~~
35 ~~graph A, should be allocated so that the~~ The state
36 share of all new school construction projects will be
37 funded in the current fiscal year starting with fis-
38 cal year 1993 or as soon thereafter as possible.
39 This section shall not affect projects funded under
40 chapter 609, prior to its implementation. This goal
41 shall be accomplished in the following manner.

1 \$70,000,000. With the current method and level of
2 funding school construction, as calculated by debt
3 service limitation, it is anticipated that the
4 present backlog of projects awaiting approval will be
5 increased by a \$10,000,000 to \$38,000,000, annually.
6 A number of projects have been on a waiting list for
7 several years and some as many as 7, 8 and 9 years.

8 The present law sets a limit on school construction
9 projects approved for state subsidy according to
10 the annual amount of debt service payments, the pay-
11 ments which school units will be required to make on
12 bonds issued for construction purposes. This method
13 requires the department to estimate a number of
14 variables in order to calculate the total annual debt
15 service costs in the future. These variables include
16 the results of local referenda, dates of bond sales
17 and interest rates on bonds sold. Because of the de-
18 lay between state board concept approval and the sale
19 of bonds of approximately one year and the need to
20 keep future total annual debt service within statuto-
21 ry limits, all estimates are made conservatively.
22 Thus, over the past several years, actual debt ser-
23 vice payments have averaged approximately 10% below
24 the statutory limit.

25 By limiting the annual approval of school con-
26 struction projects according to the total costs of
27 construction of the projects, the state board will be
28 able to approve more projects for state subsidy pur-
29 poses.

30 Section 3 of the new draft encourages school
31 units to develop long-range plans based on projected
32 growth. The state board will be responsible for mak-
33 ing rules to allow construction of schools which will
34 have adequate space to accommodate the expected
35 growth in school population for 5 years beyond the
36 expected completion date of the project.

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