

1	L.D. 83
3	(Filing No. 5-238)
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7	STATE OF MAINE SENATE
9	114TH LEGISLATURE FIRST REGULAR SESSION
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13	COMMITTEE AMENDMENT " A" to S.P. 82, L.D. 83, Bill, "An Act to Move Certain Minor Capital Costs from the Operating Allocation
15	to the Debt Service Allocation under the School Finance Act of 1985"
17	Amend the bill by striking out all of the title and
19	inserting in its place the following:
21	'An Act to Provide for State Sharing of Certain Minor Capital Costs'
23	Amend the bill by striking out everything after the enacting
25	clause and before the emergency clause and inserting in its place the following:
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29	'Sec. 1. 20-A MRSA §15603, sub-§2, ¶¶D and E, as enacted by PL 1983, c. 859, Pt. G, §§2 and 4, are amended to read:
31	D. Major capital costs; and
33	E. Expenditures from all federal revenue sources, except for amounts received under United States Public Law 81-874.
35	: and
37	Sec. 2. 20-A MRSA §15603, sub-§2, $\P F$ is enacted to read:
39	F. Minor capital costs described in section 15604, subsection 1, paragraph K.
41	Sec. 3. 20-A MRSA §15604, sub-§1, ¶¶I and J, as enacted by PL
43	1983, c. 859, Pt. G, \S and 4, are amended to read:
45	I. Cost of state expenditures for teachers' retirement benefits; and
47	J. Early childhood educational programs -; and
49	Sec. 4. 20-A MRSA §15604, sub-§1, ¶K is enacted to read:
51	K. Minor capital costs approved by the commissioner for:

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1 (1) Asbestos abatement; 3 (2) Removal or other proper abandonment of underground 5 oil tanks as permitted by Title 38, section 566-A, and replacement of removed or abandoned tanks; 7 (3) Roof repairs or renovations; and 9 (4) Other minor capital costs incurred as a result of 11 state or federal laws or regulations relating to health, safety or sanitation, including, but not 13 limited to, overboard discharge systems, air quality and radon. 15 Sec. 5. 20-A MRSA §15607, sub-§11, as amended by PL 1987, c. 17 850, S^2 and 5, is further amended to read: 19 11. Appropriation for nonpublic school services. Appropriate the necessary funds for reimbursement for nonpublic 21 school services under section 15613, subsection 4+-and Sec. 6. 20-A MRSA §15607, sub-§12, as enacted by PL 1987, c. 23 850, \$ and 5, is further amended to read: 25 12. Appropriation for special education tuition and costs for out-of-district placements. Appropriate the necessary funds 27 for special education tuition under section 15612, subsection 29 10_{τ} ; and 31 Sec. 7. 20-A MRSA §15607, sub-§13 is enacted to read: 33 13. Appropriation for minor capital costs adjustment. Appropriate the necessary funds for the approved minor capital 35 costs adjustment under section 15612, subsection 12. 37 Sec. 8. 20-A MRSA §15612, sub-§12 is enacted to read: 39 12. Minor capital costs adjustment. The following adjustment shall be paid to reimburse school administrative units for minor capital costs which are incurred in the year prior to 41 the year of allocation and approved by the commissioner. 43 A. For purposes of this section, "minor capital cost" means 45 a cost incurred for: 47 (1) Asbestos abatement not funded by other state or federal programs; 49 (2) Removal or other proper abandonment of underground oil tanks as permitted by Title 38, section 566-A, and 51 replacement of removed or abandoned tanks;

(3) Roof repairs or renovations; and

	<u>(4) Othe</u>	<u>r minor</u>	capi	tal costs	inc ¹	urred as a	<u>result</u>	: <u>of</u>
5	<u>state or</u>	federal	laws,	rules o	r rec	rulations :	relating	<u>i to</u>
	<u>health,</u>	safety	or	sanitatio	on,	including,	but	not
7	limited	to, cos	sts	<u>related</u>	to	overboard	discha	arge
	systems,	air gual	<u>ity a</u>	nd radon.	Ŀ			

B. The commissioner shall adopt rules to further define the costs included in subparagraphs (1) to (4), to provide for implementation of the subsection, to establish a procedure for dealing with the payments on bonds and notes for indebtedness school administrative units have incurred for past expenditures for these types of minor capital costs and to establish a schedule to reimburse local units for the costs of mandatory oil tank removal and replacement or other approved proper abandonment incurred in fiscal year 1989-90.

C. The amount of the adjustment shall be the amount by which the approved costs incurred in the year prior to allocation exceed the maximum expected local contribution to costs. The maximum expected local contribution to costs is the lesser of:

(1) The amount determined by multiplying the school administrative unit's local share percentage for operating costs for the year of allocation by the approved costs in the year prior to the year of allocation; and

(2) The amount which would be raised by applying the mill rate determined under paragraph D to the unit's state valuation for the year of allocation.

D. The mill rate to be used in determining the maximum expected local contribution shall be the mills derived by dividing 30% of the costs defined in paragraph A by the state valuation of all units in the State.

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Sec. 9. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.

1990-91

47 EDUCATIONAL AND CULTURAL SERVICES, DEPARTMENT OF

49 **Division of Management Information**

COMMITTEE AMENDMENT "A " to S.P. 82, L.D. 83

General Purpose Aid for Local Schools

3 All Other

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To provide funds to reimburse school administrative units for minor capital costs incurred in fiscal year 1989-90.

FISCAL NOTE

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\$5,280,000

The estimated increases of General Fund appropriations for future years are:

Fiscal Year

	1991-92	\$10,240,000
19	1992-93	\$14,880,000
	1993-94	\$19,200,000
21	1994-95	\$19,200,000'

STATEMENT OF FACT

25 The amendment permits the State to reimburse school administrative units for the cost of replacing underground oil 27 tanks which must be removed by the units, and permits the State to reimburse for the costs of filling or other proper abandonment 29 of underground tanks when the Department of Environmental Protection permits that method of abandonment rather than requiring removal of the tank. 31 The amendment also adds a 4th category of costs eligible for reimbursement, which is defined as costs required by state or federal laws, rules or regulations 33 relating to safety, health and sanitation. The Department of Educational and Cultural Services is authorized to adopt rules to 35 further define this category, and to implement the subsection.

The amendment also changes the method by which the costs 39 will be reimbursed. Instead of counting the costs within the unit's debt service allocation, the amendment provides for an adjustment to a unit's subsidy. Under the adjustment, the unit 41 would receive the difference between its costs and its maximum expected local contribution. The maximum expected 43 local contribution is the lesser of the unit's local share percentage 45 of operating costs and the amount raised by a circuit breaker mill rate. The circuit breaker mill rate would be set based on 47 30% of costs being paid by local units statewide.

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Reported by Senator Gill for the Committee on Education. Reproduced and Distributed Pursuant to Senate Rule 12. (6/8/89) (Filing No. S-238)