

MAINE STATE LEGISLATURE

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114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

Legislative Document

No. 83

S.P. 82

In Senate, February 2, 1989

Reported by Senator BOST of Penobscot for the Special Commission to Study School Funding and State Tax Law pursuant to Public Law 1987, chapter 848.

Reference to the Committee on Appropriations and Financial Affairs suggested and ordered printed pursuant to Joint Rule 18.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

STATE OF MAINE

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

An Act to Move Certain Minor Capital Costs from the Operating Allocation to the Debt Service Allocation under the School Finance Act of 1985.

(EMERGENCY)



1 **Emergency preamble.** Whereas, Acts of the Legislature do not
2 become effective until 90 days after adjournment unless enacted
3 as emergencies; and

4 **Whereas,** the Department of Educational and Cultural Services
5 is to report to the Joint Standing Committee on Education on the
6 transition requirements in this legislation by May 15, 1989; and

7 **Whereas,** this reporting date is before the 90-day period
8 between the end of the first regular session and when regular
9 legislation takes effect; and

10 **Whereas,** in the judgment of the Legislature, these facts
11 create an emergency within the meaning of the Constitution of
12 Maine and require the following legislation as immediately
13 necessary for the preservation of the public peace, health and
14 safety; now, therefore,

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

16 **Sec. 1. 20-A MRSA §15603, sub-§2, ¶¶D and E,** as enacted by PL
17 1983, c. 859, Pt. G, §§2 and 4, are amended to read:

18 D. Major capital costs; and

19 E. Expenditures from all federal revenue sources, except
20 for amounts received under United States Public Law 81-874-
21 ; and

22 **Sec. 2. 20-A MRSA §15603, sub-§2, ¶F** is enacted to read:

23 F. Pursuant to subsection 8, paragraph E, minor
24 capital costs approved by the commissioner for:

25 (1) Asbestos abatement;

26 (2) Underground oil tank removal; and

27 (3) Roof repairs or renovations.

28 **Sec. 3. 20-A MRSA §15603, sub-§8, ¶¶C and D,** as enacted by PL
29 1983, c. 859, Pt. G, §§2 and 4, is amended to read:

30 C. The portion of the tuition costs applicable to the
31 insured value factor computed under Title--20-A, section
32 5806, for the base year; and

33 D. Funds allocated by the state board to administrative
34 units to cover the costs of new school construction projects
35 funded in the current fiscal year; and

36 **Sec. 4. 20-A MRSA §15603, sub-§8, ¶E** is enacted to read:

1
3 E. Minor capital costs, for the year prior to the year of
allocation and approved by the commissioner, for:

5 (1) Asbestos abatement not funded by other state or
7 federal programs;

9 (2) Underground oil tank removal; and

11 (3) Roof repairs or renovations.

13 The definition of the costs included in subsections 1 to 3
and the procedures for implementation of this paragraph
15 shall be established by the commissioner.

17 **Sec. 5. Transition.** The Department of Educational and Cultural
Services shall present by May 15, 1989 to the Joint Standing
Committee on Education the following:

19 1. A cost estimate for moving the minor capital costs
21 described in this Act from the operating to debt service
allocation in the formula;

23 2. Rules necessary for defining minor capital cost
25 expenditures in the areas described in this Act and for
determining the process for obtaining commissioner approval; and

27 3. A procedure for dealing with the bonded payments for
29 indebtedness school units have incurred for past expenditures for
these types of minor capital costs.

31 Sections 1 to 4 of this Act shall apply starting with the
33 State's subsidy for the school year 1990-91.

35 **Emergency clause.** In view of the emergency cited in the
preamble, this Act shall take effect when approved.

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39
41 **STATEMENT OF FACT**

43 This bill moves minor capital costs for asbestos abatement,
underground oil tank removal and roof repairs or renovations from
45 the operating allocation to the debt service allocation in the
school funding formula. This shift will have the effect of
47 assuring that the state subsidy dollars generated by these costs
will go to those school units which expended the money. In the
49 year of transition there will be additional costs associated with
moving the expenditures from base year costs to one-year-old
costs. There will also be a cost associated with the application
51 of the Maine Revised Statutes, Title 20-A, section 15602,

1 subsection 3, which requires that the "percentage of the State's
share of the operating cost allocation on a statewide basis shall
3 be no less than the percentage of the State's share of operating
costs in 1988-89."