

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
114TH LEGISLATURE  
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 836, L.D. 1168, Bill, "An Act to Provide Adjustments in the Educational Funding Formula"

Amend the bill by striking out everything after the enacting clause and before the statement of fact and inserting in its place the following:

Sec. 1. 20-A MRSA §2, sub-§3, as enacted by PL 1987, c. 821, is amended to read:

3. Mandated programs. Any legislation containing a state mandate enacted by the Legislature after January 1, 1989, which requires additional funding, shall contain provisions for full funding by the State for ~~2 years after which the legislation shall contain full funding through the School Finance Act of 1985, as amended~~ the duration of the mandate. The funding requirements to implement the mandate must be identified. Any such legislation for which full state funding is not provided may not be enacted.

State mandates are defined as any state-initiated or statutory action that requires a local school administrative unit to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues, excluding any order issued by a state court or any legislation necessary to comply with a federal mandate.

~~This chapter is repealed on June 30, 1992, unless reviewed and extended by specific Act of the Legislature.~~

Sec. 2. 20-A MRSA §15602, sub-§2, as enacted by PL 1983, c. 859, Pt. G, §§2 and 4, is amended to read:

2. Amount of actual operating and program costs. It is the intent of the Legislature that the actual operating and program costs other than special education costs, as annually established by the Legislature, shall be an amount sufficient to meet the

1 level of the costs in the year prior to the year of allocation  
2 and that special education costs, as annually established by the  
3 Legislature, shall be an amount sufficient to meet the level of  
4 the costs in the year of allocation.

5  
6 **Sec. 3. 20-A MRSA §15603, sub-§12**, as enacted by PL 1983, c.  
7 859, Pt. G, §§2 and 4, is amended to read:

8  
9 12. **Foundation allocation.** "Foundation allocation" means  
10 the total of actual local operating costs and actual local  
11 program costs other than special education costs described in  
12 subsection 22 adjusted to the equivalent of the year prior to the  
13 year of allocation and special education costs described in  
14 subsection 22 adjusted to the year of allocation.

15  
16 **Sec. 4. 20-A MRSA §15605, sub-§2, ¶C**, as enacted by PL 1983,  
17 c. 859, Pt. G, §§2 and 4, is repealed and the following enacted  
18 in its place:

19 C. The requested funding levels for program costs under:

20  
21 (1) Section 15604, subsection 1, paragraph B, and  
22 paragraph C, subparagraph (1), shall be the actual  
23 costs for the base year adjusted to the equivalent of  
24 the year of allocation;

25  
26 (2) Section 15604, subsection 1, paragraphs D, E and  
27 J, shall be the actual local program costs for the base  
28 year adjusted to the equivalent of the year prior to  
29 the year of allocation; and

30  
31 (3) Section 15604, subsection 1, paragraph F, shall be  
32 for costs for the year prior to the year of allocation.

33  
34 **Sec. 5. 20-A MRSA §15605, sub-§3**, as repealed and replaced by  
35 PL 1987, c. 848, §6, is amended to read:

36  
37  
38 3. **Guidelines for actual local operating and program costs;**  
39 **updating.** The commissioner's recommendation for actual local  
40 operating and program costs adjusted, exclusive of bus purchase  
41 costs, shall reflect changes in pupil enrollment, economic  
42 factors, actual changes in educational costs and any other  
43 considerations which effect a change in the costs of education.  
44 In any year, the adjustments for operating costs and for program  
45 costs other than special education shall not be less than the  
46 average of the 2 most recent annual percentages of increase in  
47 statewide operating and program costs of school administrative  
48 units and the adjustments for special education costs shall be no  
49 less than twice the 2 most recent annual percentages of increase  
50 in statewide special education costs of school administrative  
51 units. Notwithstanding this subsection, in the event that

1 increases in any category within the program costs are  
2 significantly out of proportion to increases in the other  
3 categories, the commissioner may use other appropriate  
4 considerations in determining the recommended funding level for  
5 that category. The commissioner shall be conscious of the need  
6 for prudent restraint in educational financing.

7  
8 **Sec. 6. 20-A MRSA §15612, sub-§5, as amended by PL 1985, c.**  
9 **583, is repealed.**

11 **Sec. 7. 20-A MRSA §15612, sub-§12 is enacted to read:**

13 12. Low-income student adjustment. The State shall  
14 annually pay each school administrative unit an amount equal to  
15 0.073% of the foundation per pupil operating rate for each  
16 student eligible for a free meal under the National School Lunch  
17 Program or the National School Breakfast Program, and an amount  
18 equal to 0.067% of the foundation per pupil operating rate for  
19 each student eligible for a reduced price meal under those  
20 programs. The number of eligible students shall be determined by  
21 the annual count of eligible students for the base year, provided  
22 that no student may be counted more than once regardless of  
23 eligibility for more than one type of meal.

25 **Sec. 8. Appropriation.** The following funds are appropriated  
26 from the General Fund to carry out the purposes of this Act.

	1989-90	1990-91
<b>EDUCATIONAL AND CULTURAL SERVICES, DEPARTMENT OF</b>		
<b>General Purpose Aid for Local Schools</b>		
All Other	\$6,006,212	\$6,787,019
Provides funds to update special education costs to estimated current year costs.		
<b>General Purpose Aid for Local Schools</b>		
All Other	\$1,000,000	\$1,000,000

1 Provides funds to offset the  
2 inability of the State to use  
3 federal aid to reduce state  
4 subsidy.

5  
6 **General Purpose Aid for**  
7 **Local Schools**

8 All Other \$10,292,309 \$11,321,540

9 Provides funds for the  
10 low-income student adjustment.

11  
12 **DEPARTMENT OF EDUCATIONAL**  
13 **AND CULTURAL SERVICES**  
14 **TOTAL**

15  
16 \$17,298,521 \$19,108,559

17  
18 **FISCAL NOTE**

19  
20 The bill will extend the period for 100% state payment for  
21 state educational mandates from the current 2 years to the  
22 duration of the mandate. This will increase the cost of future  
23 state educational mandates.

24  
25  
26 **STATEMENT OF FACT**

27  
28 The amendment retains 2 proposals from the bill and amends 2  
29 others. The amendment retains the proposal that the State pay  
30 for all new education mandates for the duration of the mandates  
31 and the proposal to update special education costs to an estimate  
32 of current year costs, rather than the current update to the year  
33 prior to allocation.

34  
35 The amendment provides for a low-income student adjustment  
36 to be paid outside the finance formula. The bill would have  
37 provided a weighted student count within the formula. Providing  
38 the funds as an adjustment means that the amount received by a  
39 school administrative unit would not depend on its state share  
40 percentage. The amendment also repeals the section authorizing  
41 reduction of state subsidy, instead of changing the method by  
42 which the State reduces state subsidy to units as a result of  
43 their receipt of federal impact aid.  
44  
45