

# MAINE STATE LEGISLATURE

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

COMMITTEE AMENDMENT "B" 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 amended by PL 1989, c. 501, Pt. P, §22; c. 502, Pt. D, §16; and c. 534, Pt. E, §1, is repealed and the following enacted in its place:

3. Mandated programs. Any legislation containing a state mandate enacted by the Legislature after January 1, 1991, that requires additional funding must contain provisions for full funding by the State for 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.

A state mandate is 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.

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 level of the costs in the year prior to the year of allocation and that special education costs, as annually established by the

2 Legislature, be an amount sufficient to meet the level of the  
3 costs in the year of allocation.

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

6  
7 **12. Foundation allocation.** "Foundation allocation" means  
8 the total of actual local operating costs and actual local  
9 program costs other than special education costs described in  
10 subsection 22 adjusted to the equivalent of the year prior to the  
11 year of allocation and special education costs described in  
12 subsection 22 adjusted to the year of allocation.

13  
14 **Sec. 4. 20-A MRSA §15605, sub-§2, ¶C,** as enacted by PL 1983,  
15 c. 859, Pt. G, §§2 and 4, is repealed and the following enacted  
16 in its place:

17 **C. The requested funding levels for program costs under:**

18  
19 (1) Section 15604, subsection 1, paragraph B, and  
20 section 15604, subsection 1, paragraph C, subparagraph  
21 (1), are the actual costs for the base year adjusted to  
22 the equivalent of the year of allocation;

23  
24 (2) Section 15604, subsection 1, paragraphs D, E and  
25 J, are the actual local program costs for the base year  
26 adjusted to the equivalent of the year prior to the  
27 year of allocation; and

28  
29 (3) Section 15604, subsection 1, paragraph F, are for  
30 costs for the year prior to the year of allocation.

31  
32 **Sec. 5. 20-A MRSA §15605, sub-§3,** as repealed and replaced by  
33 PL 1987, c. 848, §6, is amended to read:

34  
35 **3. Guidelines for actual local operating and program costs;**  
36 **updating.** The commissioner's recommendation for actual local  
37 operating and program costs adjusted, exclusive of bus purchase  
38 costs, shall ~~must~~ reflect changes in pupil enrollment, economic  
39 factors, actual changes in educational costs and any other  
40 considerations ~~which~~ that effect a change in the costs of  
41 education. In any year, the adjustments shall for operating  
42 costs and for program costs other than special education may not  
43 be less than the average of the 2 most recent annual percentages  
44 of increase in statewide operating and program costs of school  
45 administrative units and the adjustments for special education  
46 costs may not be less than twice the 2 most recent annual  
47 percentages of increase in statewide special education costs of  
48 school administrative units. Notwithstanding this subsection, in  
49 the event that increases in any category within the program costs  
50 are significantly out of proportion to increases in the other  
51 categories, the commissioner may use other appropriate

2 considerations in determining the recommended funding level for  
that category. The commissioner shall be conscious of the need  
for prudent restraint in educational financing.

4  
6 **Sec. 6. 20-A MRSA §15612, sub-§5**, as amended by PL 1985, c.  
583, is repealed.

8 **Sec. 7. 20-A MRSA §15612, sub-§13** is enacted to read:

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

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

24  
26 **1990-91**

28 **EDUCATION, DEPARTMENT OF**

30 **General Purpose Aid for  
Local Schools**

32 All Other \$6,787,019

34 Provides funds to update  
36 special education costs to  
estimated current year costs.

38 **General Purpose Aid for  
Local Schools**

40 All Other \$1,000,000

42 Provides funds to offset the inability of  
44 the State to use federal aid to reduce state  
46 subsidy.

48 **General Purpose Aid for  
Local Schools**

50 All Other \$11,321,540

2 Provides funds for the  
4 low-income student adjustment.

6 **DEPARTMENT OF EDUCATION**  
**TOTAL**

\$19,108,559

8

### FISCAL NOTE

10

12 The bill will extend the period for 100% state payment for  
14 state educational mandates from the current 2 years to the  
duration of the mandate. This will increase the cost of future  
state educational mandates.'

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18

### STATEMENT OF FACT

20

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

26

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

Reported by the Committee on Education.

Reproduced and distributed under the direction of the Clerk of the House.  
4/3/90

(Filing No. 1053