

# MAINE STATE LEGISLATURE

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# 115th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1991

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Legislative Document

No. 410

H.P. 289

House of Representatives, February 7, 1991

Reference to the Committee on Education suggested and ordered printed.

A handwritten signature in cursive script that reads "Ed Pert".

EDWIN H. PERT, Clerk

Presented by Representative PINES of Limestone.

Cosponsored by Senator ESTES of York, Representative CLARK of Brunswick and Senator BRAUN of Knox.

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STATE OF MAINE

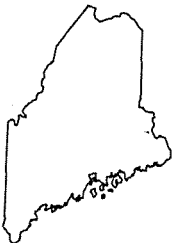
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IN THE YEAR OF OUR LORD  
NINETEEN HUNDRED AND NINETY-ONE

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An Act Concerning Impact Aid Funds.

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

2  
4 20-A MRSA §15612, sub-§5, ¶C, as amended by PL 1985, c. 583,  
is further amended to read:

6 C. The amount subtracted under paragraph B may not exceed  
8 90% of the school administrative unit's Section 3 (c) (1)  
10 payment of entitlement for the year prior to the year of  
12 allocation or the base year, whichever is less. If a school  
14 administrative unit receives less aid under Section 3 (c)  
16 (1) than it received in the prior year, it is entitled to  
18 receive from the department within 10 days an interest-free  
20 loan equal to the difference between the prior year receipts  
22 from Section 3 (c) (1) and the current year award. The loan  
24 must be repaid within one year. If a school administrative  
unit receives less aid under Section 3 (c) (1) than it has  
budgeted for as of May 15th of the current year, it is  
entitled to receive from the department within 10 days an  
interest free loan equal to the difference between the  
amount budgeted for and the amount received by May 15th.  
The loan must be repaid within one year. If a school unit  
receives only a portion of the Section 3 (c) (1) funds it  
anticipates after May 15th, it must repay the department  
within one year an amount equal to that portion.

26  
28 STATEMENT OF FACT

30 This bill provides an interest-free loan from the Department  
32 of Education to school administrative units whose federal impact  
34 aid award decreases from the prior year level. The loan must be  
36 made by the department within 10 days of notice of the shortfall  
38 from the school unit. The loan must be equal to the difference  
40 between the current year award and the prior year award and must  
42 be repaid within one year of the date of its receipt. The bill  
44 also provides an interest-free loan to school administrative  
units whose federal impact aid award is not received in full by  
May 15th. The loan must be made by the department within 10 days  
of the notice of the shortfall from the school unit and must be  
equal to the difference between the anticipated federal impact  
aid award and the amount already received. The lesser of the  
loan or an amount equal to the additional federal impact aid  
actually received after May 15th, must be repaid within one year  
of receipt of the final federal impact aid payment.

46 Under current law, no loan is provided to school  
48 administrative units from the department for reduced or delayed  
federal impact aid payments.