



115th MAINE LEGISLATURE

FIRST REGULAR SESSION-1991

Legislative Document

No. 500

S.P. 191

In Senate, February 11, 1991

Reference to the Committee on Education suggested and ordered printed.

JOY J. O'BRIEN Secretary of the Senate

Presented by Senator ESTES of York

Cosponsored by Representative NORTON of Winthrop and Representative CROWLEY of Stockton Springs.

STATE OF MAINE

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

An Act to Provide Funding for Asbestos Treatment, Underground Tank Removal and Replacement, Roof Repair and Other Costs Associated with Federal Mandates.

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	Be it enacted by the People of the State of Maine as follows:
2 4	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:
6	D. Major capital costs; and
8 10	E. Expenditures from all federal revenue sources, except for amounts received under United States Public Law 81-874 . and
12	Sec. 2. 20-A MRSA 15603 , sub- 2 , \mathbb{F} is enacted to read:
14	F. Minor capital costs defined in section 15612, subsection 14.
16 18	Sec. 3. 20-A MRSA §15604, sub-§1, ¶¶I and J, as enacted by PL 1983, c. 859, Pt. G, §§2 and 4, are amended to read:
20	I. Cost of state expenditures for teachers' retirement benefits; and
22	J. Early childhood educational programs+; and
24	Sec. 4. 20-A MRSA §15604, sub-§1, ¶K is enacted to read:
26 28	<u>K. Minor capital costs as defined in section 15612, subsection 14.</u>
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34	11. Appropriation for nonpublic school services. Appropriate the necessary funds for reimbursement for nonpublic school services under section 15613, subsection 4; and
36 38	Sec. 6. 20-A MRSA $\$15607$, sub- $\$12$, as amended by PL 1989, c. 502, Pt. C, $\$17$ and 8, is further amended to read:
40	12. Appropriation for special education tuition and costs for out-of-district placements. Appropriate the necessary funds
42	for special education tuition under section 15612, subsection 11+ <u>; and</u>
44	Sec. 7. 20-A MRSA §15607, sub-§13 is enacted to read:
46	13. Appropriation for minor capital costs adjustment.
48	<u>Appropriate the necessary funds for the approved minor capital costs adjustment under section 15612, subsection 14.</u>
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Sec. 8. 20-A MRSA §15612, sub-§14 is enacted to read:

.	Sec. 3. 2V-A WIKSA 915012, SUD-914 is enacted to read:
2	14. Minor capital costs adjustment. The following
4 adi	ustment is paid to reimburse school administrative units for
- A - A - A - A - A - A	or capital costs that are incurred in the year prior to the
	r of allocation and approved by the commissioner.
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8	A. For purposes of this section, "minor capital cost" means
	a cost incurred for:
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	(1) Asbestos abatement not funded by other state or
12	<u>federal programs;</u>
14	(2) Restoration of a public school facility to allow
	that facility to be used for the purpose it served
16	<u>before the removal of asbestos or other hazardous</u>
	<u>materials, when that cost is incurred as the result of</u>
18	the removal of the hazardous materials;
20	(3) Removal or other proper abandonment of underground
	oil tanks as permitted by Title 38, section 566-A, and
22	replacement of removed or abandoned tanks;
24	(4) Roof repairs or renovations; or
24	(4) KOOL LEPALLS OF LEMOVACIONS, OF
26	(5) Other minor capital costs incurred as a result of
20	state or federal laws, rules or regulations relating to
28	health, safety or sanitation, including, but not
	limited to, costs related to overboard discharge
30	systems, air quality and radon.
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32	B. The commissioner shall adopt rules to define further the
	costs included in paragraph A, subparagraphs (1) to (5), to
34	provide for implementation of this subsection; to establish
•	a procedure for making eligible for the adjustment payments
36	<u>on bonds and notes for indebtedness incurred by school</u>
	<u>administrative units for past expenditures for these types</u>
38	of minor capital costs; and to establish a schedule to
	reimburse local units for the costs of mandatory oil tank
40	removal and replacement or other approved proper abandonment
40	<u>incurred in fiscal year 1990-91 or fiscal year 1991-92.</u>
42	C. The amount of the adjustment is the amount by which the
	approved costs incurred in the year prior to allocation
44	exceed the maximum expected local contribution to costs.
46	The maximum expected local contribution to costs is the
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48	n <mark>183861 ULT</mark> National Alexandra (1997) - Alexandra (1997) - Alexandra (1997) - Alexandra (1997)
	(1) The amount determined by multiplying the school
50	administrative unit's local share percentage for
	operating costs for the year of allocation by the

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approved costs in the year prior to the year of allocation; and

(2) The amount that 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 is the mills derived by dividing 30% of the costs defined in paragraph A by the state valuation of all units in the State.

Sec. 9. Application. This Act applies to adjustments payable in fiscal year 1992-93.

STATEMENT OF FACT

The bill changes the method of reimbursing the school units 20 for minor capital costs and expands the list of costs to be included in the definition of minor capital costs for the 22 purposes of this type of reimbursement. The additional costs 24 are: the cost of replacing underground oil tanks which must be removed by the units; the costs of filling or other proper 26 abandonment of underground tanks when the Department of Environmental Protection permits that method of abandonment 28 rather than requiring removal of the tank; the costs of renovating a school facility following removal of asbestos or 30 other hazardous materials; and costs incurred as a result of actions required by state or federal laws, rules or regulations relating to safety, health and sanitation. 32 The Department of Education is authorized to adopt rules to define further this last category of costs and to implement the Maine Revised 34 Statutes, Title 20-A, section 15612, subsection 14.

The bill provides an alternative, more favorable method by 38 which schools will be reimbursed for the costs approved by the commissioner. Instead of counting the costs within the unit's debt service allocation, the bill provides for an adjustment to a 40 unit's subsidy for approved costs. Under the adjustment, the 42 . unit would receive the difference between its costs and its maximum expected local contribution. The maximum expected local 44 contribution is the lesser of the unit's local share percentage of operating costs and the amount raised by a circuit breaker 46 mill rate. The circuit breaker mill rate would be set by the Department of Education based on 30% of costs being paid by local units statewide. Minor capital costs that are not approved by 48 the commissioner will continue to be subsidized through the 50 operating cost allocation.

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