

# MAINE STATE LEGISLATURE

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R 018

L.D. 924

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DATE: 4/12/94

(Filing No. H-1114 )

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
116TH LEGISLATURE  
SECOND REGULAR SESSION

12

14

HOUSE AMENDMENT "B" to COMMITTEE AMENDMENT "A" to H.P. 682, L.D. 924, Bill, "An Act to Amend the School Funding Formula"

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Amend the amendment by striking out everything after the title and before the statement of fact and inserting in its place the following:

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

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'Sec. 1. 20-A MRSA §15602, sub-§9 is enacted to read:

28

9. Adjustment in fiscal year 1994-95. If, in fiscal year 1994-95, the state share of the foundation allocation for a school administrative unit, as defined in section 15603, subsection 12, plus the minimum state allocation, as described in section 15613, subsection 13, excluding the state subsidy for bus purchases, is more or less than the corresponding amount for fiscal year 1993-94, the following provisions apply.

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A. If the fiscal year 1994-95 subsidy calculated for a school administrative unit pursuant to this subsection is greater than in fiscal year 1993-94 and the gain exceeds 7% of the unit's fiscal year 1993-94 General Fund operating budget for kindergarten and grades one to 12, excluding debt service, the gain must be 7% of that budget.

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B. If the fiscal year 1994-95 subsidy calculated for a school administrative unit pursuant to this subsection is greater than in fiscal year 1993-94 and the gain is 7% or

**HOUSE AMENDMENT**

R 012

2 less of the unit's fiscal year 1993-94 General Fund  
3 operating budget for kindergarten and grades one to 12,  
4 excluding debt service, the gain must be reduced by 10% of  
5 the total gain.

6 C. If the fiscal year 1994-95 subsidy calculated for a  
7 school administrative unit pursuant to this subsection is  
8 less than in fiscal year 1993-94, the loss must be limited  
9 to a percentage of the unit's fiscal year 1993-94 General  
10 Fund operating budget for kindergarten and grades one to 12,  
11 excluding debt service, and the percentage must be the same  
12 for all units in the category. The percentage must be  
13 determined by applying all funds appropriated for this  
14 purpose, including but not limited to the funds retained  
15 through the operation of paragraphs A and B.

16 For the purpose of this subsection, the state share of a unit's  
17 foundation allocation must include the adjustments, if any,  
18 specified in section 15612, subsections 1, 2, 5, 6, 7, 9, 10 and  
19 11 as well as the adjustment in section 15613, subsection 9.

22 **Sec. 2. Appropriation.** The following funds are appropriated  
23 from the General Fund to carry out the purposes of this Act.

24  
25 1994-95

26 **EDUCATION, DEPARTMENT OF**  
27 **General Purpose Aid for Local Schools**

30 All Other \$3,095,711

32 Provides for the appropriation of funds for  
33 the additional school subsidy required to  
34 implement the proposed hardship plan. The  
35 remaining \$4,000,000 required to fully  
36 implement this plan is included in the  
37 committee amendment to the supplemental  
38 budget.'

40 Further amend the bill by inserting at the end before the  
41 statement of fact the following:

44 **FISCAL NOTE** 1994-95

46 **APPROPRIATIONS/ALLOCATIONS**

48 General Fund \$3,095,711

2 This bill establishes the methodology for distributing the  
4 Hardship Fund for school administrative units for fiscal year  
6 1994-95. The cost to implement this proposal is \$7,095,711.  
8 Since Committee Amendment "A" to the supplemental budget bill  
(L.D. 1761) provides \$4,000,000 for this purpose, a General Fund  
appropriation for the remaining \$3,095,711 for General Purpose  
Aid for Local Schools is required.' '

10  
12 STATEMENT OF FACT

14 This amendment replaces Committee Amendment "A." This plan  
16 works by stopping a school unit's loss of state aid at 2.37% of  
18 the unit's total operating budget excluding debt service. It is  
20 funded in part by retaining funds from school units that would  
22 gain state aid in fiscal year 1994-95. Funds are retained if a  
unit's gain in state aid exceeds 7% of the unit's total operating  
budget excluding debt service. All other units will contribute  
10% of their gain to the Hardship Fund. This amendment also  
replaces the fiscal note.

24  
26 SPONSORED BY: [Signature]  
28 (Representative CLOUTIER)

30 TOWN: South Portland  
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