

# MAINE STATE LEGISLATURE

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# 116th MAINE LEGISLATURE

FIRST REGULAR SESSION-1993

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Legislative Document

No. 939

S.P. 306

In Senate, March 18, 1993

**An Act to Provide Equitable School Funding.**

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Reference to the Committee on Education suggested and ordered printed.

A handwritten signature in cursive script, reading "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

Presented by President DUTREMBLE of York.  
Cosponsored by Senator BRANNIGAN of Cumberland, Representative ROWE of Portland and  
Senator: HARRIMAN of Cumberland.

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

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Sec. 1. 20-A MRSA §15622 is enacted to read:

§15622. Allocation of state funds for elementary and secondary education

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Basic education" means instruction and administration of core curriculum subjects only, including but not limited to science, math, reading, history, literature and social studies.

B. "Cost-of-living adjustments" means the average cost of housing, food and fuel for transportation as established by the Department of Human Services.

C. "Household tax payments" means the state income tax that is paid on the average median household income for the municipality multiplied by the number of households in the municipality.

D. "Municipality's median household income" means the median household income reported in the most recent United States Census as adjusted by the Department of Human Services or the Department of Administrative and Financial Services.

E. "Municipality's tax effort" means the municipality's property tax commitment and household income tax payments divided by the number of residents in the municipality as established by the latest United States Census as adjusted by the Department of Human Services.

2. Calculation. Notwithstanding any other provision in this chapter the allocation of state funds for elementary and secondary education must be:

A. Limited to a maximum state allocation percentage of 70%;

B. Based on the amount of operating costs attributable to basic education. For the purpose of this section "basic education" means instruction and administration of core curriculum subjects only, including but not limited to science, math, reading, history, literature and social studies;

C. Based on a measure of a municipality's ability to pay that gives equal weight to:

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(1) The municipality's median household income, adjusted to reflect the cost of living within the municipality, multiplied by the number of households in the municipality;

(2) The value of taxable property within the municipality; and

(3) The municipality's tax effort.

**STATEMENT OF FACT**

This bill amends the laws governing the school funding formula to require that a municipality's wealth or ability to pay be calculated by using median household income, adjusted to reflect the cost of living in the area and the average person's existing tax effort as measured by the property taxes and income taxes that they pay.

This bill also sets a maximum of 70% on the amount of state funding that a school unit can receive and requires that state aid fund only basic education programs, as is done in other states.