

MAINE STATE LEGISLATURE

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R.S.

L.D. 1705

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DATE: 1/31/96

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EDUCATION AND CULTURAL AFFAIRS

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
117TH LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 1243, L.D. 1705, Bill, "An Act to Establish Educational Services for Grades 7 to 12 in the Towns of Mechanic Falls, Minot and Poland"

Amend the bill by inserting after the title and before the emergency preamble the following:

'Mandate preamble. This measure requires one or more local units of government to expand or modify activities so as to necessitate additional expenditures from local revenues but does not provide funding for at least 90% of those expenditures. Pursuant to the Constitution of Maine, Article IX, Section 21, two thirds of all of the members elected to each House have determined it necessary to enact this measure.'

Further amend the bill by striking out all of section 5 and inserting in its place the following:

'Sec. 5. Certain costs not currently covered by the State Board of Education's rules for school construction projects. Certain costs relating to the purchase of library books, reference material, software, audio-visual materials and textbooks not currently included in the State Board of Education's definition of "movable equipment" must be included in a bond issue, not to exceed \$600,000, separate from the bond issue to cover the cost of the construction of the school. Issuance of the bond to cover the costs not covered by the State Board of Education's rules for school construction projects is authorized under the

COMMITTEE AMENDMENT

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COMMITTEE AMENDMENT "A" to H.P. 1243, L.D. 1705

2 Maine Revised Statutes, Title 30-A, section 5772, general
obligation bonds. These bonds may not be issued for more than a
4 5-year period of repayment.

6 The principal and interest costs generated by the bond are
not subsidized as debt service and the debt service millage
8 limit, established in the Maine Revised Statutes, Title 20-A,
section 15607, subsection 2, does not apply to this bond issue.
10 The local and state share of the annual bond payment is based on
the local and state share percentage for that year specified in
12 Title 20-A, section 15654. Each annual bond payment is
subsidized in the year in which it becomes due.'

14 Further amend the bill in section 8 in the 2nd paragraph in
the 2nd line (page 3, line 45 in L.D.) by striking out the
16 following: "7" and inserting in its place the following: '5'

18 Further amend the bill in section 9 in the question in the
last line (page 4, line 37 in L.D.) by striking out the
20 following: "send" and inserting in its place the following:
'pay tuition for'

22 Further amend the bill by inserting at the end before the
24 statement of fact the following:

26
28 **'FISCAL NOTE**

30 This bill requires that the towns of Poland, Mechanic Falls
and Minot hold a special town meeting and election to approve the
32 construction of a new school. The additional costs of this state
mandate are not expected to be significant. Pursuant to the
34 Mandate Preamble, the two-thirds vote of all members elected to
each House exempts the State from the constitutional requirement
to fund 90% of the additional local costs.

36 If the school project is approved, the Department of
38 Education's General Purpose Aid to Local Schools program will
incur additional costs from the state share of the additional
40 principal and interest expenditures, estimated to be \$75,000 to
\$85,000 annually for 5 years beginning in fiscal year 1997-98.
42 The additional payments would be treated as adjustments to future
school subsidies not subject to the program and debt service cost
44 millage limits and would be shared in the year that the costs are
incurred. Whether these costs will increase amounts appropriated
46 to General Purpose Aid for Local Schools or affect the
distribution of available subsidies to individual school
48 administrative units can not be determined at this time.'

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COMMITTEE AMENDMENT

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COMMITTEE AMENDMENT "A" to H.P. 1243, L.D. 1705

STATEMENT OF FACT

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This amendment replaces a provision in the bill that
4 required the Department of Education to provide an interest-free
loan to the Towns of Mechanic Falls, Minot and Poland for the
6 purchase of books, software and other items for a new high school
to serve the 3 towns. The amendment permits the 3 towns to issue
8 bonds to cover the cost of those items.

10

The amendment also makes technical changes, adds a mandate
preamble and a fiscal note to the bill.