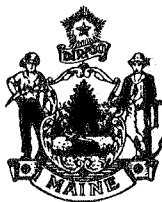


# MAINE STATE LEGISLATURE

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# 118th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1997

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Legislative Document

No. 185


H.P. 142

House of Representatives, January 16, 1997

**An Act to Reward Schools for Exceptional Student Performance on the  
4th-grade Maine Educational Assessment Exam.**

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Reference to the Committee on Taxation suggested and ordered printed.

  
JOSEPH W. MAYO, Clerk

Presented by Representative McELROY of Unity.  
Cosponsored by Senator SMALL of Sagadahoc and  
Representatives: BARTH of Bethel, BELANGER of Caribou, BERRY of Belmont, CLUKEY  
of Houlton, DESMOND of Mapleton, JOY of Crystal, STEDMAN of Hartland.

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

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**Sec. 1. 36 MRSA §5111-B, sub-§3,** as enacted by PL 1995, c. 368, Part VV, §1, is amended to read:

**3. Revenue Targeting Fund.** The Revenue Targeting Fund is established to carry out the purposes of this section. For fiscal year 1997-98 and for each subsequent fiscal year up to and including the fiscal year ending during the calendar tax year in which the limitation pursuant to subsection 4 is reached, tax revenue exceeding \$676,230,000 must be deposited to the Revenue Targeting Fund, the balance of which does not lapse but carries to the subsequent fiscal year. Proceeds in the fund must first be used to provide incentive payments to be awarded by the Department of Education. Incentive funds must be awarded to schools at a rate of \$800 for each 4th-grade pupil who scores at or above the 96th percentile in the statewide assessment program established in Title 20-A, chapter 222. After all incentive payments are made, balances remaining in the fund must be used to implement rate adjustments pursuant to this section. Tax year 1998 and subsequent tax year individual income tax refunds must be paid from this fund until the fund balance carried forward from the prior fiscal year is reduced to zero.

**SUMMARY**

This bill establishes a financial incentive program to reward schools whose 4th-grade students demonstrate exceptional performance on the Maine educational assessment test. Funding for the incentives will be provided from the Revenue Targeting Fund prior to any adjustment of income tax rates.