

MAINE STATE LEGISLATURE

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R. of S.

L.D. 2252

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DATE: April 3, 1998

(Filing No. S- 743)

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**STATE OF MAINE
SENATE
118TH LEGISLATURE
SECOND SPECIAL SESSION**

SENATE AMENDMENT "D" to COMMITTEE AMENDMENT "A" to H.P. 1622, L.D. 2252, Bill, "An Act to Implement the Recommendations of the Governor's Commission on School Facilities"

Amend the amendment by striking out all of section 17 and inserting in its place the following:

Sec. 17. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.

1998-99

EDUCATION, DEPARTMENT OF

School Renovation

All Other (\$425,000)

Deappropriates funds as an offset to an appropriation provided in Public Law 1997, chapter 643, Part S, section 6.'

Further amend the amendment in section 18 in the 4th line (page 15, line 19 in amendment) by striking out the following: "\$15,000,000" and inserting in its place the following: '\$9,575,000'

SENATE AMENDMENT

SENATE AMENDMENT "D" to COMMITTEE AMENDMENT "A" to H.P. 1622,
L.D. 2252

Further amend the amendment in section 18 in the 5th line
(page 15, line 20 in amendment) by striking out the following:
"\$15,000,000" and inserting in its place the following:
'\$10,000,000'

Further amend the amendment by striking out all of the
fiscal note and inserting in its place the following:

FISCAL NOTE

1998-99

APPROPRIATIONS/ALLOCATIONS

General Fund	\$-0-
Other Funds	195,523

REVENUES

Other Funds	\$195,523
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This bill includes a General Fund appropriation to the Department of Education in fiscal year 1998-99 of \$425,000 for the hardware and software necessary to assist school administrative units to establish capital maintenance and improvement plans. The bill also includes a General Fund deappropriation of \$425,000 in fiscal year 1998-99 from the School Renovation program in the Department of Education to offset the costs of the hardware and software. Total General Fund appropriations for school renovations of \$20,000,000 have been included in Public Law 1997, chapter 643, Part S, section 6 to implement the provisions of this bill.

Allowing the public elementary and secondary school tuition rates to be increased by a debt service factor will not require additional appropriations to the Department of Education for General Purpose Aid for Local Schools. It may, however, result in higher tuition expenses for some school administrative units, while other units will realize increased revenue from tuition payments. The inclusion of a debt service factor in the tuition rate will increase the debt service allocations for the local sending units. General Fund appropriations, the amounts of which can not be determined, will be required in order to avoid a redistribution of funds that would otherwise have been provided to school administrative units for school operating costs in order to pay for these additional debt service costs.

The requirement that school administrative units maintain a maintenance and capital improvement program represents a state mandate pursuant to the Constitution of Maine. While the total

additional local costs can not be determined, the bill does
provide the appropriation for the template and software needed by
school administrative units for the maintenance and capital
improvement program and allocations for positions within the
Department of Education to provide technical assistance to
units. It can not be determined if these resources represent 90%
of the additional costs related to this maintenance and capital
improvement program.

The requirement that school administrative units annually
allocate a minimum percentage of their school budgets to reserve
accounts for facility maintenance and capital improvements also
represents a state mandate pursuant to the Constitution of
Maine. The total additional local costs can not be determined.
Pursuant to the 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 of these mandates.

The bill authorizes the use of 2.4% of the highest fund
balance available in the School Revolving Renovation Fund to
support the administrative costs of the Department of Education
and the Department of Administrative and Financial Services, as
well as those of the Maine Municipal Bond Bank which are
estimated to be \$60,000 annually. The ability of this mechanism
to cover the required administrative costs for longer than
approximately two years can not be determined.

This bill includes an Other Special Revenue funds allocation
of \$115,523 in fiscal year 1998-99 for the Department of
Education for the salary, benefits and operating costs for two
positions necessary to manage the new school renovation programs.

The bill also provides an Other Special Revenue funds
allocation of \$80,000 to the Department of Administrative and
Financial Services in fiscal year 1998-99 for the costs of
procuring architectural and engineering services related to
oversight of school construction and renovation projects.

SUMMARY

Since Public Law 1997, chapter 643, Part S, section 6
provided a \$20,000,000 General Fund appropriation for school
renovation costs, this amendment eliminates the \$30,000,000

R.S.

SENATE AMENDMENT "D" to COMMITTEE AMENDMENT "A" to H.P. 1622,
L.D. 2252

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included in the committee amendment for renovations. The amendment also offsets that appropriation included in chapter 643 to provide the funding necessary to assist school administrative units in developing comprehensive local maintenance and capital improvement plans.

The amendment adjusts the schedule for payments to the Maine Municipal Bond Bank to conform with the appropriated amounts.

Finally the amendment replaces the fiscal note.

SPONSORED BY:
(Senator MICHAUD)

Sen Michael H. Michaud
JOB

COUNTY: Penobscot

SENATE AMENDMENT