

MAINE STATE LEGISLATURE

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119th MAINE LEGISLATURE

FIRST REGULAR SESSION-1999

Legislative Document

No. 1712

H.P. 1202

House of Representatives, March 9, 1999

An Act to Ensure Adequate Funding for Maine Schools.

Reference to the Committee on Education and Cultural Affairs suggested and ordered printed.

A handwritten signature in black ink that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative BAKER of Bangor.
Cosponsored by Senator CATHCART of Penobscot and
Representatives: ANDREWS of York, BELANGER of Caribou, DESMOND of Mapleton,
JABAR of Waterville, SKOGLUND of St. George, STEDMAN of Hartland, WESTON of
Montville, Senator: MURRAY of Penobscot.

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

2
4 **Sec. 1. 20-A MRSA §15602, sub-§1**, as amended by PL 1985, c. 505, §12, is further amended to read:

6 **1. Contributions from General Fund.** It is the intent of
8 the Legislature to provide at least 55% of the cost of the total
10 allocation from General Fund revenue sources or a percentage no
12 less than that provided in the year prior to the year of
14 allocation, whichever is greater, but if the amount appropriated
by the Legislature from General Fund revenue sources is not
sufficient to fund 55% of the cost of the total allocation, the
percentage of funding provided by the State must be determined by
the amount of funds actually provided by the Legislature.

16 ~~The amount of the teacher recognition grants authorized in
18 section 13503-A which are paid or deemed eligible to be paid on
August 15, 1986, shall be added to the actual local operating
20 costs expended by local units in 1986-87. The minimum amount of
the cost of the total allocation from General Fund revenue
22 sources for 1988-89 shall be increased by the total amount
expended by the State in 1986-87 for teacher recognition grants
24 in accordance with section 13503-A and block grants in accordance
with section 13509. The resulting percentage shall be used to
26 define the minimum percentage contribution from General Fund
revenue sources in 1988-89 and subsequent years.~~

28 **Sec. 2. 20-A MRSA §15602, sub-§13** is enacted to read:

30 **13. Supplemental state subsidy for fiscal year 1999-00.**
32 Notwithstanding any other provision of this chapter, the State's
share of the total allocation that would have been payable to
34 each school administrative unit under the School Finance Act of
1985 for fiscal year 1999-00 must be paid to each school
36 administrative unit over a 3-year period beginning July 1, 1999.
The commissioner shall establish a schedule for payment of the
38 additional state subsidy, if any, that must be paid to school
administrative units.

40 **Sec. 3. 20-A MRSA §15603, sub-§26-A, ¶F**, as amended by PL
42 1995, c. 665, Pt. J, §2, is repealed.

44 **Sec. 4. 20-A MRSA §15603, sub-§27**, as amended by PL 1993, c.
46 410, Pt. F, §16, is further amended to read:

48 **27. Subsidy indices.** "Subsidy indices" means the equivalent
of mill rates that, when applied to the fiscal capacity of all
municipalities, would ~~raise not more than 45% of the total
allocation and would establish~~ represent the operating cost

2 millage, the program millage limit and the debt service millage
limit.

4 These indices may not be levied, but must be used for the purpose
of computing allocations.

6 **Sec. 5. 20-A MRSA §15610, sub-§1, ¶G** is enacted to read:

8
9 G. Notwithstanding any other provision of this chapter, if
10 reductions are made in the state share of the foundation
11 allocation by calculating a reduction for each unit, the
12 calculation must be performed by applying a standard mill
13 rate to each school administrative unit rather than by
14 applying a fixed percentage.

16 **Sec. 6. 20-A MRSA §15613, sub-§17**, as enacted by PL 1997, c.
17 395, Pt. R, §1, is amended to read:

18
19 **17. Unobligated balances.** Unobligated balances from
20 amounts appropriated for general purpose aid for local schools
21 may not lapse but must be redistributed to school administrative
22 units in the same fiscal year. The commissioner shall make the
23 final determination of the total amount of unobligated funds and
24 must redistribute 75% of those funds to program costs and 25% of
25 those funds to out-of-district placement costs. ~~To redistribute~~
26 ~~the 75% portion to the state share of program costs, the~~
27 ~~reduction percentage originally calculated for program costs~~
28 ~~pursuant to section 15603, subsection 26-A, paragraph F must be~~
29 ~~reduced by an amount sufficient to distribute the 75% share. The~~
30 ~~reductions in these percentages apply to all program cost areas~~
31 ~~except the transportation operating cost allocation.~~

32
33 **Sec. 7. 20-A MRSA §15652, sub-§2**, as enacted by PL 1995, c.
34 368, Pt. Z, §1 and affected by §2, is repealed.

35
36 **Sec. 8. 20-A MRSA §15652, sub-§4**, as amended by PL 1997, c.
37 643, Pt. D, §3, is repealed.

38
39 **Sec. 9. 20-A MRSA §15652, sub-§7**, as enacted by PL 1995, c.
40 368, Pt. Z, §1 and affected by §2, is amended to read:

41
42 **7. Property weight.** "Property weight" means a value
43 ~~between zero and one~~ that is used to adjust a municipality's
44 ratio of local per pupil property fiscal capacity to the
45 statewide per pupil property fiscal capacity. ~~The income weight,~~
46 ~~as defined in subsection 2, plus the property weight must equal~~
47 ~~one.~~

48
49 **Sec. 10. 20-A MRSA §15654, sub-§1, ¶A**, as enacted by PL 1995,
50 c. 368, Pt. Z, §1 and affected by §2, is amended to read:

2 The purpose of this bill is to ensure that pupil equity and
taxpayer equity are achieved through the school funding formula
4 by guaranteeing that the State subsidizes 55% of the total
allocation costs incurred by school administrative units. This
6 bill accomplishes the following.

8 1. It clarifies the statutory provisions requiring the
state share to be 55% of total state and local education
10 allocations by indicating that the percentage of state funding
must be determined by the amount of funds actually provided by
12 the Legislature.

14 2. It requires that the state share of the total allocation
that would have been payable to each school administrative unit
16 for fiscal year 1999-00 must be paid to each school
administrative unit over a 3-year period beginning July 1, 1999;
18 it further requires a supplemental appropriation to the general
purpose aid for local schools program in fiscal year 1999-00 and
20 fiscal year 2000-01 to fully fund 55% of the cost of the total
allocation in fiscal year 1999-00.

22 3. It repeals the "percentage rate" subsidy reduction
method from the School Finance Act of 1985 and requires that
24 reductions in state funds be made by applying a mill rate subsidy
reduction to each school administrative unit rather than a
26 percentage rate subsidy reduction.

28 4. It removes the income and cost-of-living components from
the distribution of funding for education under the School
30 Finance Act of 1995, leaving relative property fiscal capacity as
the only factor in determining a unit's fiscal capacity.