

MAINE STATE LEGISLATURE

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119th MAINE LEGISLATURE

FIRST REGULAR SESSION-1999

Legislative Document

No. 1975

S.P. 700

In Senate, March 23, 1999

An Act to Promote Equitable Educational Opportunities.

Reference to the Committee on Education and Cultural Affairs 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 Senator MITCHELL of Penobscot.
Cosponsored by Senators: CATHCART of Penobscot, DAVIS of Piscataquis,
Representatives: JONES of Pittsfield, KASPRZAK of Newport, PLOWMAN of Hampden,
STEDMAN of Hartland.

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

2
4 **Sec. 1. 20-A MRSA §1301, sub-§1, ¶¶A and B,** as amended by PL 1993, c. 410, Pt. F, §3, are further amended to read:

6 A. Under a property valuation method, municipalities in a
8 district shall share costs in the same proportion as each
10 municipality's ~~fiscal capacity as defined in section 15603,~~
 ~~subsection 11-A~~ state valuation is to the district's ~~fiscal~~
 ~~capacity~~ state valuation.

12 B. Under an alternate plan approved by the state board and
14 by a vote of the legislative bodies of the school
 administrative units forming the district and based on:

16 (1) The number of resident pupils in each town;

18 (2) The ~~fiscal capacity of each member municipality as~~
20 ~~defined in section 15603, subsection 11-A~~ state
 valuation of each member town's real property as set in
22 the calendar year prior to the district's fiscal year;
 or

24 (3) Any combination of subparagraphs (1) and (2).

26 **Sec. 2. 20-A MRSA §1704, sub-§1, ¶B,** as amended by PL 1993, c.
28 410, Pt. F, §4, is further amended to read:

30 B. The ~~fiscal capacity of each member municipality as~~
 ~~defined in section 15603, subsection 11-A~~ state valuation of
 each member municipality's real property as set in the
32 calendar year prior to the district's fiscal year;

34 **Sec. 3. 20-A MRSA §15602, sub-§8,** as enacted by PL 1993, c.
36 410, Pt. F, §5, is repealed.

38 **Sec. 4. 20-A MRSA §15602, sub-§9,** as enacted by PL 1993, c.
 684, §3, is repealed.

40 **Sec. 5. 20-A MRSA §15602, sub-§12,** as enacted by PL 1997, c.
42 643, Pt. D, §1, is repealed.

44 **Sec. 6. 20-A MRSA §15603, sub-§11-A,** as enacted by PL 1993, c.
 410, Pt. F, §13, is repealed.

46 **Sec. 7. 20-A MRSA §15603, sub-§26-A, ¶D,** as enacted by PL
48 1993, c. 410, Pt. F, §15, is amended to read:

50 D. Nonsubsidizable costs are not considered in the
 calculation of the total allocation. "Nonsubsidizable
 costs" includes the following:

- 2 (1) Community service costs;
- 4 (2) Major capital costs;
- 6 (3) Expenditures from all federal revenue sources,
8 except for amounts received under the United States
Code, Public Law 81-874; and
- 10 ~~(4)---One---half---of---salary---and---benefit---costs---for~~
12 ~~superintendents,---assistant---superintendents---and~~
~~asseeiate-superintendents;~~
- 14 ~~(5)----Transportation---costs---not---associated---with~~
16 ~~transporting-students-from-home-to-school-and-back-home~~
~~each-day;-and~~

18 **Sec. 8. 20-A MRSA §15603, sub-§26-A, ¶F,** as amended by PL
20 1995, c. 665, Pt. J, §2, is repealed and the following enacted in
its place:

22 F. If, for any fiscal year, the total amount appropriated
24 by the Legislature for the State's share is less than 55% of
26 the total allocation, the percentage of local share must be
28 increased to the level required to result in the maintenance
30 of the total allocation. A statewide millage for operating
32 allocation may be established by increasing the original
34 mill indices to the level required to offset the amount the
state share is under funded as well as the local share. The
program millage limit and debt service millage limit remain
as originally calculated. The resulting millage indices are
used to calculate the local share of total allocation and
the level of state subsidy. The following subsidizable
costs may not be reduced:

36 (1) Principal and interest on approved school
38 construction costs; and

40 (2) Approved lease costs.

42 **Sec. 9. 20-A MRSA §15603, sub-§27,** as amended by PL 1993, c.
44 410, Pt. F, §16, is repealed and the following enacted in its
place:

46 27. Subsidy indices. "Subsidy indices" means the
48 equivalent mill rates that when applied to fiscal capacity for
all municipalities would raise the local share of the operating
allocations, program allocations and debt service allocations
and, once established, would limit the debt service millage.

2 **Sec. 10. 20-A MRSA §15610, sub-§1, ¶C**, as amended by PL 1989,
c. 875, Pt. E, §29, is repealed and the following enacted in its
4 place:

6 C. The state share of the foundation allocation for each
8 school administrative unit is limited to the same proportion
10 of the maximum foundation allocation as the local school
 administrative unit raises of its maximum local share of the
 foundation allocation.

12 **Sec. 11. 20-A MRSA §15613, sub-§13**, as enacted by PL 1987, c.
14 848, §10, is amended to read:

16 **13. Minimum state allocation.** ~~Effective-1988-89,-each~~ Each
school administrative unit ~~shall-be~~ is guaranteed a minimum state
share of its total allocation that is determined by multiplying
18 5% of the foundation per pupil operating rate by the average
number of resident kindergarten to grade 12 pupils, including
20 special education and tuition pupils, in the unit on April 1st
and October 1st of the calendar year immediately prior to the
22 year of allocation. These funds shall must be included as part
of the school administrative unit's total allocation as computed
24 under this chapter and not as an adjustment to the unit's total
allocation. The amount guaranteed to school administrative units
26 is limited to the same proportional amount as is raised by the
total of the foundation subsidy index.

28 **Sec. 12. 20-A MRSA §15613, sub-§17**, as enacted by PL 1997, c.
30 395, Pt. R, §1, is amended to read:

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

46 **Sec. 13. 20-A MRSA §15652, sub-§2**, as enacted by PL 1995, c.
368, Pt. Z, §1 and affected by §2, is repealed.

48 **Sec. 14. 20-A MRSA §15652, sub-§4**, as amended by PL 1997, c.
50 643, Pt. D, §3, is repealed.

Sec. 15. 20-A MRSA §15652, sub-§§6 and 7, as enacted by PL 1995, c. 368, Pt. Z, §1 and affected by §2, are repealed.

Sec. 16. 20-A MRSA §15653, sub-§4, as enacted by PL 1995, c. 368, Pt. Z, §1 and affected by §2, is repealed.

Sec. 17. 20-A MRSA §15657, as amended by PL 1997, c. 643, Pt. D, §5, is repealed.

Sec. 18. Effective date. This Act takes effect July 1, 2000.

SUMMARY

This bill restores provisions of the School Finance Act of 1985 by repealing and amending several changes that have affected the equity of the school funding formula and that have been made in that Act in recent years. Specifically, this bill eliminates the 1990 reduction in state aid, the 1993 percentage reduction of the foundation allocation, the 1995 introduction of income level into the formula and a cost-of-living adjustment and the replacement of operating costs with a per pupil guarantee.