

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 215

S.P. 47

In Senate, January 18, 2001

An Act Regarding Out-of-district Placement.

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

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator FERGUSON of Oxford.
Cosponsored by Representative GOOLEY of Farmington and
Senators: SMALL of Sagadahoc, CARPENTER of York, GOLDTHWAIT of Hancock,
SHOREY of Washington, TURNER of Cumberland, YOUNGBLOOD of Penobscot,
Representatives: CHIZMAR of Lisbon, GAGNE of Buckfield.

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

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Sec. 1. 20-A MRSA §7201, sub-§2, ¶C, as enacted by PL 1981, c. 693, §§5 and 8, is amended to read:

C. An exceptional student may be placed in a regional program, a residential school or institution, or in a private day school or program, only after supporting evaluative data justifying the placement have been submitted to and approved by the commissioner.

Sec. 2. 20-A MRSA §7253, sub-§4, as enacted by PL 1981, c. 693, §§5 and 8, is amended to read:

4. Funding. The regional program shall must be supported by funds included in the special education appropriations of each of the member school administrative units. The department shall appropriate funds only for out-of-district special education placements approved by the commissioner under section 7201, subsection 2, paragraph C.

Sec. 3. 20-A MRSA §15603, sub-§26-A, ¶F, as amended by PL 1999, c. 401, Pt. GG, §2, is further amended to read:

F. If for any fiscal year the total amount appropriated for the State's share of the total allocation is less than the amount specified in the certified funding level for that year, then all subsidizable costs except as noted in subparagraphs (1) and (2) and (3) are reduced by a percentage of the original cost amounts. The reduction percentage is the smallest percentage that results in a state share of the total allocation that does not exceed the amount appropriated for this purpose, except that the reduction percentage that would ordinarily be used for operating and program costs must be reduced for the purpose of computing state subsidy for transportation operating costs as defined in subsection 29. Until fiscal year 2000-01, the reduction percentage ordinarily used for transportation operating costs must be reduced by the amount necessary to provide additional state subsidy equal to \$4,500,000 for this category of costs. The statewide adjustment factor under section 15654, subsection 1, paragraph B must be adjusted by an amount sufficient to provide this additional funding for program costs. Beginning in fiscal year 1999-00, the reduction percentage must be phased out over 4 years. In fiscal year 1999-00, the reduction percentage for program costs other than transportation operating costs must be 15.88%. It is the intent of the Legislature that the reduction percentage for all program costs and the insured value factor be lowered to

2 9.97% in fiscal year 2000-01, to 4.98% in fiscal year
4 2001-02 and to 0% in fiscal year 2002-03. Beginning in
6 fiscal year 2000-01, if the appropriation and any increase
8 in the mill rate determined by the Legislature to be needed
10 under section 15653 are not sufficient to achieve both the
12 targeted reduction percentage and the targeted per pupil
guarantee, as defined in section 15653, then the per pupil
guarantee must advance toward the targeted per pupil
guarantee in the same proportion as the reduction
percentage, as defined in this section, is lowered toward
the targeted reduction percentage. The following
subsidizable costs may not be reduced:

- 14 (1) Principal and interest on approved school
16 construction costs; and
- 18 (2) Approved lease costs; and
- 20 (3) Approved special education tuition costs for an
out-of-district placement.

22 **Sec. 4. 20-A MRSA §15612, sub-§11**, as amended by PL 1997, c.
24 736, §2, is further amended to read:

26 **11. Special education tuition and costs for out-of-district
placement adjustment.** A school administrative unit that places a
28 student in an out-of-district placement, in a regional program
30 established consistent with section 7253 or in a regional program
32 recognized by the department prior to July 1, 1997 must receive
34 an adjustment equal to the amount, if any, by which the tuition,
36 treatment and room and board costs for an approved
out-of-district special education placement in the year of
allocation exceeds ~~3--times~~ the secondary foundation per pupil
operating rate for that year, or a prorated amount if the
placement is less than a full year. State payments to school
administrative units pursuant to this subsection must be made
during the year of allocation. ~~The funds for the adjustment are
38 limited to the amount appropriated by the Legislature for that
purpose, and the department is authorized to prorate payments to
40 units if the amount appropriated is insufficient to make full
payments to all units.~~

42 **Sec. 5. 20-A MRSA §15613, sub-§17**, as enacted by PL 1997, c.
44 395, Pt. R, §1, is amended to read:

46 **17. Unobligated balances.** Unobligated balances from
48 amounts appropriated for general purpose aid for local schools
50 may not lapse but must be redistributed to school administrative
units in the same fiscal year. The commissioner shall make the
final determination of the total amount of unobligated funds and

2 must redistribute 75%-of those funds to program costs and-25%-of
these-funds-to-out-of-district-placement-costs. To redistribute
4 the 75%-portion unobligated balances to the state share of
program costs, the ~~reduction~~ percentage originally calculated for
6 program costs pursuant to section 15603, subsection 26-A,
paragraph F must be reduced by an amount sufficient to distribute
8 the 75%-share unobligated funds. The reductions in these
percentages the percentage apply to all program cost areas except
the transportation operating cost allocation.

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SUMMARY

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This bill requires the State to reimburse a school
administrative unit for 100% of the unit's special education
16 tuition and costs for an out-of-district placement approved by
the Commissioner of Education. Under this bill, the Department
18 of Education is required to appropriate funds for out-of-district
special education placements to those school administrative units
20 that have submitted supporting evaluative data justifying the
placement of an exceptional student in an approved regional
22 program.