

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 1390

H.P. 1033

House of Representatives, March 5, 2001

An Act to Reinstate the Cost-of-living Factor in the School Funding Formula.

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

Millicent M. MacFarland

MILLICENT M. MacFARLAND, Clerk

Presented by Representative ANDREWS of York.
Cosponsored by Senator LEMONT of York and
Representatives: BUCK of Yarmouth, COLLINS of Wells, CUMMINGS of Portland, ESTES of Kittery, GLYNN of South Portland, LOVETT of Scarborough, McKENNEY of Cumberland, MURPHY of Kennebunk.

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

4 **Sec. 1. 20-A MRSA §15652, sub-§4,** as repealed by PL 1999, c.
5 401, Pt. GG, §5, is reenacted to read:

6 **4. Normalized regional cost adjustment.** "Normalized
7 regional cost adjustment" means a factor that is used to adjust a
8 median household income value up or down to reflect variations in
9 regional costs. The department shall contract for the
10 acquisition of annual normalized regional cost adjustment data,
11 based on the National Chamber of Commerce model, except as
12 follows. Beginning in fiscal year 1998-99, the weight of the
13 housing component of the market basket is 14%, instead of 28% and
14 the weights of the other market basket components are increased
15 proportionately. In addition, for any municipality whose
16 regional cost adjustment is less than 1.0, that adjustment is
17 increased to 1.0.

18 **Sec. 2. 20-A MRSA §15657, sub-§2,** as amended by PL 1999, c.
19 401, Pt. GG, §9, is further amended to read:

20 **2. Local median household income.** The local median
21 household income is divided by the statewide average median
22 household income. That amount is divided by the normalized
23 regional cost adjustment as defined in section 15652, subsection
24 4. The final result is multiplied by an income weight of 0.15.
25 The department shall use local median household income data as
26 estimated at the fiscal year 1997-98 level until final Federal
27 Decennial Census figures are established for the year 2000. The
28 fiscal year 1997-98 estimated census figures must be adjusted so
29 that no municipality's census figure exceeds twice the state
30 average percentage increase from fiscal year 1996-97 to fiscal
31 year 1997-98.

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35 **SUMMARY**

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38 This bill reinstates the use of a cost-of-living factor in
the school funding formula.