

MAINE STATE LEGISLATURE

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Minority
EDUCATION AND CULTURAL AFFAIRS

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
120TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1145, L.D. 1548, Bill, "An Act to Amend the School Funding Formula by Adding a Hold-harmless Provision"

Amend the bill by striking out the title and substituting the following:

'An Act to Amend the School Funding Formula by Adding a Maximum Loss Provision'

Further amend the bill by striking out everything after the enacting clause and before the summary and inserting in its place the following:

'Sec. 1. 20-A MRSA §15602, sub-§15 is enacted to read:

15. Maximum loss provision. Notwithstanding any other provision of this chapter or chapter 606-A, the following maximum loss provision is established for fiscal year 2001-02 and for each fiscal year thereafter to provide for maximum stability of the amounts of state subsidy provided to school administrative units through the general purpose aid for local schools program.

A. Beginning in fiscal year 2001-02, the state share of subsidy for each fiscal year for operating costs, program costs excluding the state share of bus purchases and minimum subsidy may not be less than 85% of the state share of subsidy for the preceding fiscal year for operating costs, program costs excluding the state share of bus purchases,

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2 minimum subsidy and the hold-harmless or maximum loss
3 provision actually distributed in the preceding fiscal year.

4 B. Beginning in fiscal year 2001-02, if the property fiscal
5 capacity used to determine a school administrative unit's
6 fiscal capacity for each fiscal year increases from the
7 preceding fiscal year or if the number of pupils used to
8 determine a school administrative unit's subsidizable pupil
9 count for each fiscal year decreases from the preceding
10 fiscal year, then a school administrative unit may not
11 receive less than 85% of the state share of subsidy that it
12 received in the preceding fiscal year.

14 **Sec. 2. Appropriation.** The following funds are appropriated
15 from the General Fund to carry out the purposes of this Act.

16		2001-02	2002-03
18	EDUCATION, DEPARTMENT OF		
20	General Purpose Aid for		
22	Local Schools		

24	All Other	\$7,055,000	\$7,055,000
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26 Provides funds for the state
27 share of subsidy for
28 operating costs, program
29 costs excluding the state
30 share of bus purchases and
31 minimum subsidy to ensure
32 that all local school
33 administrative units receive
34 at least 85% of the funding
35 they received the preceding
36 fiscal year for operating
37 costs, program costs
38 excluding the state share of
39 bus purchases and minimum
40 subsidy. The appropriation
41 for fiscal year 2002-03 will
42 have to be amended after the
43 level of funding and the
44 funding parameters have been
45 established.'

46 Further amend the bill by inserting at the end before the
47 summary the following:
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FISCAL NOTE

2001-02 2002-03

APPROPRIATIONS/ALLOCATIONS

General Fund \$7,055,000 \$7,055,000

The General Purpose Aid for Local Schools program will require additional General Fund appropriations of \$7,055,000 and \$7,055,000 in fiscal years 2001-02 and 2002-03, respectively, in order to fund all local school administrative units for certain expenses at an amount equal to at least 85% of what they received in the preceding fiscal year for certain expenses. The appropriation for fiscal year 2002-03 will have to be amended after the funding level and the funding parameters have been established.'

SUMMARY

This amendment is the minority report of the Joint Standing Committee on Education and Cultural Affairs. The amendment replaces the proposed hold-harmless provision with an ongoing maximum loss provision for the general purpose aid for local schools program. The amendment requires that, beginning in fiscal year 2001-02 and for each fiscal year thereafter, the Legislature provide each school administrative unit with at least 85% of the state share of subsidy that it received for the preceding fiscal year for operating costs, program costs excluding the state share of bus purchases and minimum subsidy. It also adds a fiscal note to the bill.