



# **120th MAINE LEGISLATURE**

## FIRST REGULAR SESSION-2001

Legislative Document

No. 1553

H.P. 1150

House of Representatives, March 8, 2001

An Act to Provide Funding for Education.

(EMERGENCY)

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

Millicent M. Mac Jailand

MILLICENT M. MacFARLAND, Clerk

Presented by Representative GOODWIN of Pembroke. Cosponsored by Representatives: BUNKER of Kossuth Township, DAVIS of Falmouth, DESMOND of Mapleton, DUGAY of Cherryfield, MENDROS of Lewiston, MICHAEL of Auburn, Senator: SHOREY of Washington.

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted 2 as emergencies; and 4 Whereas, it is vital to provide adequate funding for the education of children in this State; and 6 Whereas, in the judgment of the Legislature, these facts 8 create an emergency within the meaning of the Constitution of 10 Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and 12 safety; now, therefore, 14 Be it enacted by the People of the State of Maine as follows: Sec. 1. 20-A MRSA c. 419-E is enacted to read: 16 18 CHAPTER 419-E 20 POSTSECONDARY ENROLLMENT GRANT PROGRAM 22 §11721. Definitions 24 As used in this chapter, unless the context otherwise 26 indicates, the following terms have the following meanings. 1. Authority. "Authority" means the Finance Authority of 28 Maine. 30 2. Eligible program of study. "Eligible program of study" 32 means an associate degree program or a baccalaureate degree program. 34 3. Institution of higher education. "Institution of higher 36 education" means a public or private institution of higher education located within this State that offers an associate degree program or a baccalaureate degree program. The 38 institution must meet the requirements of and conform to the 40 definitions contained in the federal Higher Education Act of 1965, Section 1201, as amended, 20 United States Code, Section 1141; the federal Higher Education Act of 1965, Section 491, as 42 amended, 20 United States Code, Section 1088; and the regulations, guidelines and procedures promulgated by the United 44 States Secretary of Education and published in the Federal Register pursuant to these sections of law. 46

48 **§11722. Eligibility** 

- A grant for an eligible program of study may be given only 2 to a resident of the State who:
- Graduated. Has graduated from an approved secondary school or matriculated at a postsecondary school prior to high
   school graduation or has successfully completed a general educational development examination or its equivalent;
- 2. Accepted as undergraduate. Has been accepted for enrollment as an undergraduate or is in good standing as an undergraduate at an institution of higher education in an eligible program of study and has not received a previous baccalaureate degree;
- 3. Applied for grant. Has applied for a postsecondary 16 enrollment grant according to schedules and procedures and on forms developed by the authority;

4. State residency requirements. Meets any state residency
 requirements that may be established by rules adopted by the authority in accordance with Title 5, chapter 375, subchapter
 II-A. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter
 II-A.

- 26 **§11723.** Determination of grants
- 28 <u>A grant to a student who is eligible under section 11722</u> must be determined as follows.
- Award amounts. A grant awarded under this chapter,
   except as provided in subsections 2 to 4, may not be less than:
- A. Two thousand dollars for a student attending an institution of higher education within the State and enrolled in an associate degree program; or
- B. Four thousand dollars for a student attending an institution of higher education within the State and enrolled in a baccalaureate degree program.
- 42 2. Prorated grants. A grant recipient under this chapter whose course load is reduced from full time must receive a grant
   44 prorated for that recipient's part-time course load during the recipient's part-time enrollment.
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3. Withdrawal. If a recipient of a grant under this 48 chapter withdraws from an institution of higher education and the student is entitled to a refund of tuition, fees or other 2 <u>charges, the institution shall make a refund payment directly to</u> 2 <u>the authority in accordance with the institution's refund policy.</u>

 4 4. Part-time students. The authority may allocate up to 25% of the postsecondary enrollment grants available under this
 6 chapter to part-time students who are eligible under section 11722. The authority shall establish eligibility criteria for
 8 part-time students by rulemaking pursuant to the Maine Administrative Procedure Act. Rules adopted pursuant to this
 10 subsection are routine technical rules as defined in Title 5, chapter 375, subchapter II-A.

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#### §11724. Length of grant; period of study

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 Length of grant. A grant may be for a period not to
 exceed one academic year. A student may apply for a new grant for each year of study during the period required for completion
 of an eligible program of study being pursued by that student. A grant recipient who remains eligible under section 11722 must be
 considered in the succeeding award year.

 22 2. Period of study. A student eligible under section 11722 enrolled in an associate degree program may receive a grant for a
 24 period not to exceed 4 semesters or its equivalent for a full-time student or 8 semesters or 60 credit hours, whichever is
 26 completed first, for a part-time student. An eligible student enrolled in a baccalaureate degree program may receive a grant
 28 for a period not to exceed 8 semesters or its equivalent for a full-time student or 16 semesters or 120 credit hours, whichever
 30 is completed first, for a part-time student.

#### 32 **§11725.** Program administration

34	1. Responsibility of authority. The authority shall
	administer the grant program under this chapter, including
36	establishing and maintaining fund accounting and control
	procedures as required by state law or as necessary for the State
38	to be eligible to receive federal assistance under the Federal
	Student Assistance Program, Higher Education Act of 1965, Title
40	IV, Part A, Subpart 3, as amended, 20 United States Code,
	Sections 1070c-1, 1070c-2 and 1070c-3.
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	2. Guidelines and rules. The following provisions apply to
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- 44 the program under subsection 1.
- A. The authority shall develop rules, procedures, schedules and forms necessary to carry out the purposes of the program
   under subsection 1,

B. To the maximum extent possible consistent with the need
for state control of the program under subsection 1, the authority shall use the guidelines, rules, regulations,
procedures, forms and schedules set forth by the United States Secretary of Education for the administration of the Federal Student Assistance Program, Higher Education Act of 1965, Title IV, Part A, Subpart 1, as amended, 20 United States Code, Section 1070c.

### 10 §11726. Nonlapsing fund

12 Any unexpended funds appropriated by the Legislature to the authority to carry out the purposes of the program under section 14 11725, subsection 1 do not lapse but must be carried forward by the authority for continued use in the program.

- Sec. 2. 20-A MRSA §15603, sub-§26-A, ¶F, as amended by PL 18 1999, c. 401, Pt. GG, §2, is repealed.
- 20 Sec. 3. 20-A MRSA §15613, sub-§17, as enacted by PL 1997, c. 395, Pt. R, §1, is amended to read:

17. Unobligated balances. Unobligated balances from amounts appropriated for general purpose aid for local schools 24 may not lapse but must be redistributed to school administrative units in the same fiscal year. The commissioner shall make the 26 final determination of the total amount of unobligated funds and 28 must redistribute 75% of those funds to program costs and 25% of those funds to out-of-district placement costs. To-redistribute 30 the--75%--portion--to--the--state--share--of--program--costs,--the reduction--percentage--originally--calculated--for--program--costs 32 pursuant-to-section-15603,-subsection-26-A,-paragraph-F-must-be reduced-by-an-amount-sufficient-to-distribute-the-75%-share .-- The reductions-in-these-percentages-apply-to-all-program-cost-areas 34 except-the-transportation-operating-cost-allocation.

Sec. 4. 20-A MRSA §15653, sub-§1, as amended by PL 1999, c. 38 731, Pt. D, §2, is further amended to read:

40 1. Per pupil guarantee. The Legislature shall annually establish a per pupil guarantee. For fiscal year 1999-00, the
42 per pupil guarantee is \$4,020 and, for fiscal year 2000-01, the per pupil guarantee is \$4,307. In the subsequent 2 fiscal years,
44 it is the intent of the Legislature to achieve the per pupil guarantee targets established in this subsection.

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B. For fiscal year 2001-02 the per pupil guarantee target 48 is \$4,687. C. For fiscal year 2002-03 the per pupil guarantee target is \$5,204.

The intent of the Legislature is to achieve a per pupil guarantee 4 projected spending in fiscal 2002-03. matches year that Beginning-in-fiscal-year--2001-02,-if-the-appropriation-and-any 6 increase-in-the-mill-rate-determined-by-the-Legislature-to-be 8 needed-under-this-section-are-net-sufficient-to-achieve-both-the targeted-reduction-percentage-in-section-15603,--subsection-26-A, paragraph-F--and-the--targeted-per-pupil--guaranteer-then-the-per 10 pupil--quarantee--must--advance--teward--the--targeted--per--pupil 12 guarantee-in-tho-same-proportion-as-the-reduction-percentage-is lowered-toward-the-targeted-reduction-percentage.

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Sec. 5. Essential programs and services model; implementation. 16 The Legislature shall review the plan proposed by the State Board of Education for implementing a new school funding formula based on the Essential Programs and Services model developed by the 18 State Board of Education's Essential Programs and Services Committee pursuant to Public Law 1999, chapter 401, Part GG, 20 section 11. Beginning October 1, 2001, the Joint Standing 22 Committee on Education and Cultural Affairs shall review the plan proposed by the State Board of Education and may introduce 24 legislation during the Second Regular Session of the 120th Legislature to replace the current school funding formula, found 26 in the Maine Revised Statutes, Title 20-A, chapters 606 and 606-A, with a new method for funding kindergarten-to-grade-12 public education based on the Essential Programs and Services 28 model. The new school funding formula based on the Essential 30 Programs and Services model must be implemented no later than the legislative biennium that corresponds to fiscal year 2005-06 and 32 fiscal year 2006-07.

Sec. 6. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.

2000-01

38 EDUCATION, DEPARTMENT OF 40 General Purpose Aid for Local Schools 42 All Other \$139,656,122 44 Provides funds to fully fund 55% of the cost of the total allocation in fiscal year 2000-01 48 2

**Emergency clause.** In view of the emergency cited in the preamble, this Act takes effect when approved.

#### SUMMARY

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This bill accomplishes the following.

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It establishes a postsecondary enrollment grant program
 to be administered by the Finance Authority of Maine. Under this program, a Maine high school graduate enrolled in an associate
 degree program at a public or private institution of higher education in the State would receive a grant of \$2,000 per year
 and a Maine high school graduate enrolled in a baccalaureate degree program at a public or private institution of higher
 education in the State would receive a grant of \$4,000 per year.

 It provides a supplemental appropriation of \$139,656,122 to the general purpose aid to local schools program in fiscal year 2000-01 to fully fund the 55% state share of the total allocation for costs incurred by school administrative units, defined as the total of the foundation allocation and the debt service allocation.

It eliminates the so-called "percentage reduction
 method" from the School Finance Act of 1985. Under this bill, the state share of school funding would return to 55% of the cost
 of the total allocation.

30 It directs the Legislature to review the plan proposed 4. by the State Board of Education for implementing a new school funding formula based on the Essential Programs and Services 32 model developed by the board's Essential Programs and Services Committee, requires the Joint Standing Committee on Education and 34 Cultural Affairs to review the Essential Programs and Services 36 plan and authorizes the committee to introduce legislation during the Second Regular Session of the 120th Legislature to replace 38 the existing school funding formula with a new school funding formula based on the Essential Programs and Services model.