

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 1644

H.P. 1212

House of Representatives, March 15, 2001

An Act to Amend and Improve Education Laws.

Submitted by the Department of Education pursuant to Joint Rule 204.
Reference to the Committee on Education and Cultural Affairs suggested and ordered
printed.

Millicent M. MacFarland

MILLICENT M. MacFARLAND, Clerk

Presented by Representative RICHARD of Madison.
Cosponsored by Senator MITCHELL of Penobscot.

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

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Sec. 1. 20-A MRSA §5401, sub-§15, ¶A, as amended by PL 1985, c. 781, is further amended to read:

A. The commissioner may not approve, in one year, more than \$5,000,000 in expenditures for school bus purchases, excluding bus purchases made in accordance with paragraph C of this subsection. Annually, the Legislature shall review this limitation.

Sec. 2. 20-A MRSA §5401, sub-§15, ¶C, as enacted by PL 1981, c. 693, §§5 and 8, is amended to read:

C. A school board may obtain a short-term loan or a lease-purchase to purchase acquire school buses if it is approved by the unit's legislative body. The term of a loan or a lease-purchase may not exceed ~~3 years,--except in a community school district a loan during the district's first year of operation may not exceed~~ 5 years. The commissioner shall establish a maximum amount for annual-term purchases in excess of the amount established in paragraph A. Beginning in fiscal year 2003-04, these expenditures must be subsidized in accordance with section 15603, subsection 26-A.

Sec. 3. 20-A MRSA §6051, sub-§1, ¶E, as corrected by RR 1993, c. 1, §45, is amended to read:

E. A determination as to whether the school administrative unit has complied with applicable provisions of the School Finance Act of 1985 and the School Finance Act of 1995; and

Sec. 4. 20-A MRSA §6051, sub-§4, as repealed and replaced by PL 1985, c. 797, §36, is amended to read:

4. Initial report to commissioner. On or before December 1st, the school board shall provide the commissioner with:

~~A. A copy of the audit; and~~

~~B. Written assurance that the audit has been conducted in accordance with applicable state and federal law relating to financial and compliance audits.~~

C. Written determination of whether or not proper budgetary controls are in place;

D. A written determination of whether or not the annual financial report submitted to the department is correct, including submission of an audited reconciliation of the

2 annual financial report prepared and certified by the
3 auditor; and

4 E. A written determination as to whether the school
5 administrative unit has complied with applicable provisions
6 of the School Finance Act of 1985 and the School Finance Act
7 of 1995.

8 **Sec. 5. 20-A MRSA §6051, sub-§6** is enacted to read:

10 **6. Report to commissioner.** Within 9 months after the end
11 of the audit period, the school board shall provide the
12 commissioner with:

14 A. A copy of the audit report;

16 B. Accountability of all revenues and expenditures;

18 C. Written assurance that the audit has been conducted in
19 accordance with applicable state and federal laws relating
20 to financial and compliance audits; and

22 D. Any other information that the commissioner may require.

24 **Sec. 6. 20-A MRSA §15603, sub-§26, ¶D,** as enacted by PL 1993,
25 c. 410, Pt. F, §15, is amended to read:

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

32 (1) Community service costs;

34 (2) Major capital costs;

36 (3) Expenditures from all federal revenue sources,
37 except for amounts received under the United States
38 Code, Public Law 81-874;

40 ~~(4) One-half of salary and benefit costs for~~
41 ~~superintendents, assistant superintendents and~~
42 ~~associate superintendents;~~

44 (5) Transportation costs not associated with
45 transporting students from home to school and back home
46 each day; and

48 (6) Costs payable to the Maine State Retirement System
49 under Title 5, section 17154, subsections 10 and 11.

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SUMMARY

4 This bill deletes language contained in the School Finance
Act of 1985 relating to superintendents' salaries and subsidy.
6 After the enactment of the School Finance Act of 1995, this
language has no longer had any impact on subsidy calculations.
8 This change is a technical change in the School Finance Act of
1985 to reflect the change in subsidy calculations provided for
10 in the School Finance Act of 1995.

12 This bill also clarifies the audit requirements and modifies
the reporting requirements in the Maine Revised Statutes, Title
14 20-A, section 6051. Changes include: (1) correction of section
1, paragraph E to include applicable provisions of the School
16 Finance Act of 1995; (2) clarification of the requirement that
the annual financial report be reconciled with the annual audit
18 report; and (3) modification of the reporting requirements.
These clarifications will improve the quality of audits of school
20 administrative units by ensuring appropriate use of funds and
providing more flexible reporting requirements that will meet the
22 needs of both the Department of Education and school
administrative units.

24 This bill also improves the ability of the Department of
26 Education to forecast the cost of school bus fleet replacement,
improve the overall condition and safety of the publicly owned
28 school bus fleet and reduce annual fleet maintenance costs.
Local school administrative units would benefit by receiving
30 subsidy for school bus lease-purchases under the same rules that
govern cash and note purchases.