

MAINE STATE LEGISLATURE

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L.D. 1712

DATE: 6-4-01 (Filing No. H-671)

REPORT A
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. 1261, L.D. 1712, Bill, "An Act to Implement the Recommendations of the Task Force on the Maine Learning Technology Endowment"

Amend the bill by striking out everything after the title and before the summary and inserting in its place the following:

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the implementation of Phase I of the learning technology plan as recommended by the final report of the Task Force on the Maine Learning Technology Endowment requires that the Commissioner of Education in consultation with the Advisory Board of the Maine Learning Technology Endowment take certain actions with respect to the use of the endowment and the fundraising plan; and

Whereas, the implementation of Phase I of the learning technology plan as recommended by the final report of the Task Force on the Maine Learning Technology Endowment Commissioner of Administrative and Financial Services to take certain actions with respect to the management and administration of the endowment; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately

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necessary for the preservation of the public peace, health and safety; now, therefore,

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

Sec. 1. 5 MRSA §12004-I, sub-§18-C is enacted to read:

<u>18-C.</u>	<u>Advisory</u>	<u>Expenses</u>	<u>20-A MRSA</u>
<u>Education</u>	<u>Board of the</u>	<u>only</u>	<u>§19109</u>
	<u>Maine</u>		
	<u>Learning</u>		
	<u>Technology</u>		
	<u>Endowment</u>		

Sec. 2. 20-A MRSA §19101, as enacted by PL 1999, c. 731, Pt. FFF, §1, is amended to read:

§19101. Establishment of Maine Learning Technology Endowment; source of funds

The Maine Learning Technology Endowment, referred to in this chapter as the "endowment," is established. The endowment consists of certain funds dedicated by the Legislature and by other private and public sources for the advancement of learning technology for kindergarten to grade 12 in Maine.

Sec. 3. 20-A MRSA §19102, as enacted by PL 1999, c. 731, Pt. FFF, §1, is amended to read:

§19102. Endowment purpose and plan

1. Purpose. The endowment must be used to enable the full integration of appropriate learning technologies into teaching and learning for the State's elementary and secondary students. The endowment must be managed and governed in a manner that provides for the financially sustainable support, use and integration of learning technology in Maine schools as determined by the Legislature.

2. Learning technology plan. The use of the endowment must be based on a state learning technology plan, referred to in this section as the "plan," developed annually beginning for school year 2002-03 by the commissioner with the advice of the advisory board established under section 19109 and adopted by the Legislature. The annual plan must be designed to achieve the goal of preparing students for a future economy that relies on technology and innovation.

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The plan developed annually by the commissioner and the advisory board must include, but is not limited to, consideration of the following:

A. The appropriate structure, governance and oversight of the endowment;

B. The current use of learning technology in classrooms in the State;

C. The current readiness of faculty to use technology in teaching;

D. The professional development needed to integrate technology into classroom teaching;

E. Assessment of the strategy and goals for improving and equalizing access to and the use of learning technology in all schools;

F. A plan for implementing the plan in several phases, with Phase I implementing the plan for all schools, students and teachers at the 7th and 8th grade levels;

G. Strategies that coordinate the resources and goals of the endowment and the plan with a network of schools and libraries in the State administered by the Public Utilities Commission and the telecommunications education access fund;

H. Strategies that coordinate learning technology in kindergarten to grade 12 education with initiatives and resources of the State's postsecondary education institutions; and

I. Data tracking and assessment of the progress of implementing the goals of the endowment and the plan.

3. Guiding principles for plan. The plan must be consistent with the following guiding principles:

A. Equity. The plan must promote equal opportunity for and provide meaningful access to learning technology resources for students who are economically disadvantaged or have special needs;

B. Integration with the system of learning results established in section 6209. The plan must support student achievement of the system of learning results through the integration of learning technologies that are

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2 content-focused and that add value to existing instructional
3 methods;

4 C. Sustainability and avoidance of obsolescence. The plan
5 must provide future sustainability of learning technology
6 resources to adapt to future educational needs and to avoid
7 obsolescence of learning technology resources;

8 D. Teacher preparation and professional development. The
9 plan must provide effective preparation, professional
10 development and training programs for teachers and other
11 educators in the use and integration of learning technology
12 tools in curriculum development, instructional methods and
13 student assessment systems; and

14 E. Economic development. The plan must foster economic
15 development across all regions of the State and the
16 preparation of students for an economy that is dependent
17 upon technology.

18 **Sec. 4. 20-A MRSA §19103**, as enacted by PL 1999, c. 731, Pt.
19 FFF, §1, is repealed and the following enacted in its place:

20 **§19103. Finances of endowment**

21 **1. Endowment assets.** The endowment includes all assets,
22 funds and holdings held in the name of, on behalf of or for the
23 benefit of the endowment. This is a nonlapsing fund the sources
24 of which include all appropriations and allocations by the
25 Legislature to the endowment; cash, stocks, cash equivalents or
26 the equivalent value of goods and services that are consistent
27 with the guiding principles established under section 19102,
28 subsection 3 from any other source, whether public or private,
29 designated for deposit into or credited to the endowment; and
30 interest or other income or assets of the endowment.

31 **2. Fundraising plan.** The commissioner and the Commissioner
32 of Administrative and Financial Services shall, for the duration
33 of the endowment, identify and submit grant and fundraising
34 proposals in support of the priorities of the learning technology
35 plan established pursuant to section 19102 to federal, corporate,
36 foundation or other 3rd-party sources as appropriate.

37 In conjunction with the advisory board established under section
38 19109, the commissioner and the Commissioner of Administrative
39 and Financial Services shall develop a plan for fundraising and
40 identifying grant sources that is designed to raise sufficient
41 funds to enable the learning technology plan to expand to the
42 secondary school level. The fundraising plan must identify

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specific funding sources, as appropriate, timelines and an assessment of the probability of success.

In order to preserve the integrity of the educational purposes of the learning technology plan, all fundraising and grant proposals must be consistent with the goals and terms of the learning technology plan. The commissioner and the Commissioner of Administrative and Financial Services in conjunction with the advisory board established under section 19109 shall develop any necessary guidelines for fundraising and grant proposals in order to carry out this requirement.

Sec. 5. 20-A MRSA §19104, as enacted by PL 1999, c. 731, Pt. FFF, §1, is repealed and the following enacted in its place:

§19104. Fiduciary roles and responsibilities

The Commissioner of Administrative and Financial Services, referred to in this section as the "commissioner," shall act as fiduciary and fiscal agent with respect to the management and administration of the endowment. The commissioner may accept donations to the endowment consistent with the guiding principles established under section 19102, subsection 3. The commissioner shall ensure that donations to the endowment are segregated from other state assets, separately accounted for and held in trust on behalf of the State for the purposes specified in this chapter and for no other purpose. The commissioner shall enter into and administer an investment contract for the investment of endowment funds by an appropriate entity, including, but not limited to, the Board of Trustees of the Maine State Retirement System or another entity approved by the commissioner. The Treasurer of State shall review the proposed investment contract to ensure that the proposed investment management fees are reasonable for the investment management services provided.

1. Investment of endowment. If the commissioner determines that the Board of Trustees of the Maine State Retirement System is the appropriate entity to provide for the investment of endowment funds, the following provisions apply.

A. The Board of Trustees of the Maine State Retirement System shall invest the endowment in the same manner and according to the same investment policy and practices by which the board invests the assets of the Maine State Retirement System.

B. The Board of Trustees of the Maine State Retirement System shall treat the endowment as held in trust on behalf of the State for the purposes specified in this chapter and no other and shall separately account for the endowment as

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2 investment assets, attributing to the endowment its
3 proportional share of investment returns and of investment
4 management costs and expenses, including costs and expenses
5 of the retirement system arising because of its investment
6 of the endowment.

7 C. The commissioner and the Board of Trustees of the Maine
8 State Retirement System shall develop jointly a memorandum
9 of understanding, setting out their mutual understanding of
10 the investment of the endowment, the related investment
11 accounting and investment return and expense attribution.

12 2. Audit of endowment. The commissioner shall ensure
13 adequate audit of the investment management of the endowment and
14 the expenditures of the endowment each state fiscal year. If the
15 investment of the endowment is managed by the Board of Trustees
16 of the Maine State Retirement System, the audit must be conducted
17 within the scope of the annual audit of the Maine State
18 Retirement System or through separate audit as considered
19 appropriate by the Board of Trustees of the Maine State
20 Retirement System. Any separate audit must be reported to the
21 Governor, the Legislature, the commissioner and the State
22 Controller in as timely a manner as possible after the close of
23 each state fiscal year.

24 3. Use of endowment. In addition to the budgeting
25 guidelines pursuant to section 19105, in accordance with the
26 annual learning technology plan established pursuant to section
27 19102, the income from the endowment may be used for necessary
28 audit services, legal expenses, investment management fees and
29 services and general administrative expenses related to the
30 management and administration of the endowment. The principal
31 and income of the endowment may not be used to implement the
32 fundraising plan required pursuant to section 19103, subsection 2.

33 4. Endowment term. The commissioner shall manage the
34 endowment as follows:

35 A. Prior to January 8, 2003 the commissioner shall take all
36 reasonable and prudent steps to manage the investment,
37 expenditures and cash flow of the endowment to ensure that
38 the initial principal of the endowment, consisting of
39 General Fund money appropriated by the State, is maximized
40 and, to the greatest extent feasible, not diminished; and

41 B. After January 7, 2003:

42 (1) If contributions consistent with the guiding
43 principles established under section 19102, subsection
44 3 totaling \$15,000,000 are received or pledged from

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2 other sources by January 7, 2003, the commissioner
3 shall operate the endowment in a manner consistent with
4 the learning technology plan in order to maintain in
5 perpetuity any balances remaining at the close of the
6 2006-2007 school year. The commissioner shall take all
7 reasonable and prudent steps to manage the investment,
8 expenditures and cash flow of the endowment to ensure
9 that the initial principal of the endowment is
10 maximized and, to the greatest extent feasible, not
11 diminished; or

12 (2) If the \$15,000,000 goal established in
13 subparagraph (1) is not achieved by January 7, 2003,
14 the endowment ceases to operate as an endowment and the
15 commissioner shall manage the assets of the former
16 endowment, including the use of the principal, in a
17 manner that implements the learning technology plan
18 through at least June 30, 2006.

20 In the annual learning technology plan submitted in the Second
21 Regular Session of the 120th Legislature pursuant to section
22 19102, subsection 2, the commissioner shall provide to the
23 Governor and the Legislature the status of efforts to raise
24 necessary contributions and recommendations concerning the
25 management of the endowment.

26 For purposes of this subsection, the term "contributions" means,
27 without limitation, cash, stocks, cash equivalents or the
28 equivalent value of goods and services but does not include funds
29 from the General Fund, the Telecommunications Education Access
30 Fund, the Maine Schools and Libraries Network account or the
31 standard federal E-rate program. In the event that the
32 \$15,000,000 contribution goal is not achieved by January 7, 2003,
33 the balance of any and all contributions to the endowment must be
34 dedicated to the learning technology plan unless a contributor
35 expressly provides otherwise in a written instrument at the time
36 of a contribution.

38 **Sec. 6. 20-A MRS §§19105 to 19110 are enacted to read:**

40 **§19105. Commissioner's recommendation for annual learning**
41 **technology plan; guidelines and funding level**

42 **1. Annual plan recommendation.** Prior to December 15th of
43 **each year, the commissioner, after consultation with the advisory**
44 **board established under section 19109 and the Commissioner of**
45 **Administrative and Financial Services and after receiving the**
46 **approval of the state board, shall recommend to the Governor and**
47 **the Department of Administrative and Financial Services, Bureau**
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2 of the Budget the funding level for implementing the annual
3 learning technology plan.

4 2. Budget development. The commissioner, with the
5 assistance of the Commissioner of Administrative and Financial
6 Services, shall prepare an annual budget for the implementation
7 of the annual learning technology plan and exercise budgetary
8 responsibility to carry out the plan. Annually, by January 1st,
9 beginning on January 1, 2002, in addition to complying with the
10 provisions of Title 5, sections 1665 and 1666, the commissioner
11 shall present the operating budget for the endowment to the
12 Governor and the Legislature for review by the joint standing
13 committee of the Legislature having jurisdiction over education
14 matters and the joint standing committee of the Legislature
15 having jurisdiction over appropriations and financial affairs.
16 The commissioner may make expenditures only in accordance with an
17 allocation approved by the Legislature, and any liability or
18 obligation may not be incurred under this chapter beyond the
19 amount allocated by the Legislature.

20 3. Guidelines. The recommended funding level for the
21 annual learning technology plan must include the known
22 obligations and estimates of the following:

23 A. The level of expenditure for purchases of portable
24 computing devices or the anticipated principal and interest
25 costs for the year of allocation for leases and other
26 appropriate financing arrangements, including leases under
27 which the learning technology plan may apply the lease
28 payments to the purchase of those devices;

29 B. The level of expenditures for software and services such
30 as technical support and education intranet services;

31 C. Funds designated by the commissioner for professional
32 development programs and services;

33 D. Funds designated by the commissioner for the
34 expenditures for the alternative equivalent value factor.
35 For purposes of this paragraph, "alternative equivalent
36 value factor" means the ratio of funding provided to school
37 administrative units that choose to provide an alternative
38 equivalent learning technology plan that meets the guiding
39 principles described in section 19102, subsection 3;

40 E. Funds designated by the commissioner for the purchase of
41 kindergarten to grade 12 educational materials, including
42 library databases; and
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2 F. Funds designated by the commissioner for the purpose of
3 making adjustments to the cash flow of revenues generated
4 from the endowment.

6 4. Funding level. The Governor shall include in the
7 Governor's biennial or supplemental budget submission, as
8 applicable, an allocation from the endowment necessary to
9 implement the learning technology plan.

10 **§19106. Governor's funding level recommendation**

12 The Department of Administrative and Financial Services,
13 Bureau of the Budget shall annually certify to the Legislature
14 the funding level that the Governor recommends for the annual
15 learning technology plan. The Governor's recommendations must be
16 transmitted to the Legislature within the time schedules set
17 forth by Title 5, section 1666.

18 **§19107. Actions by Legislature**

20 The Legislature annually, prior to March 15th, shall enact
21 legislation to allocate the funding level necessary to implement
22 the annual learning technology plan. The Legislature may
23 allocate for expenditure by the commissioner for eligible
24 kindergarten to grade 12 schools and eligible programs under the
25 commissioner's jurisdiction all the resources available for the
26 programs involved in the annual learning technology plan.

28 **§19108. Actions by department**

30 Within the annual allocation, the department shall follow
31 the procedures established under this section.

34 1. Cash flow. For the purpose of cash flow, the
35 commissioner may pay the full payment amounts due on leases under
36 which the learning technology plan may apply the lease payments
37 to the purchase of portable computing devices, and the required
38 amount to offset the payments may be transferred to the debt
39 service portion of the account from other operating accounts.

40 2. Report by commissioner. The commissioner annually shall
41 provide the advisory board with evaluation and outcome data
42 relative to the implementation of the learning technology plan.

44 **§19109. Advisory board**

46 The Advisory Board of the Maine Learning Technology
47 Endowment, referred to in this chapter as the "advisory board,"
48 is established to advise the commissioner and the Legislature on
49 matters related to the development of policies for the learning
50 technology plan.

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technology plan and the deployment of endowment proceeds to
implement the learning technology plan.

1. Membership. In appointing the initial public members to
the advisory board, the Governor, the President of the Senate and
the Speaker of the House shall give proper consideration to the
appointment of members of the Task Force on the Maine Learning
Technology Endowment so that there may be continuity of policy
development. In the appointment of public members to the
advisory board the Governor, the President of the Senate and the
Speaker of the House shall give proper consideration to members
with experience or special knowledge in one or more of the
following areas: education, business or economic development,
technology, finance, library services and postsecondary
education. Proper consideration also must be given to achieving
statewide geographical representation, cultural equity and gender
equity. The advisory board consists of 12 voting members as
follows:

A. Eight public members, 4 of whom must be appointed by the
Governor, 2 of whom must be appointed by the President of
the Senate and 2 of whom must be appointed by the Speaker of
the House;

B. One member who is a member of the state board, appointed
by the chair of the state board;

C. One member representing public postsecondary education
institutions who is employed by a public postsecondary
education institution, appointed by the Governor;

D. One member representing the Maine State Library,
appointed by the Director of the Maine State Library; and

E. One member representing the Public Utilities Commission,
appointed by the chair of the Public Utilities Commission.

2. Chair. The advisory board shall choose annually one of
its members to serve as chair. The chair may be elected to no
more than 3 consecutive terms.

3. Meetings. The advisory board shall meet at least 3
times each year.

4. Quorum. Each member of the advisory board is entitled
to one vote. A majority of voting members of the advisory board
constitutes a quorum for the transaction of any official business.

5. Terms of members. Except as provided by the terms of
initial appointments in this section, the terms of the members of

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2 the advisory board are for 3 years. Members may be appointed for
3 consecutive terms. New members must be appointed consistent with
4 subsection 1, paragraphs A to E. Members representing the state
5 board, public postsecondary education institutions, the Maine
6 State Library and the Public Utilities Commission may serve on
7 the advisory board only as long as they hold office in the
8 respective entity. Terms of the initial appointments must be
9 staggered as follows:

10 A. Terms expiring January 1, 2004 include one member
11 appointed by the Speaker of the House, one member appointed
12 by the President of the Senate, one member appointed by the
13 Governor and the member representing the Maine State Library;

14 B. Terms expiring January 1, 2005 include one member
15 appointed by the Speaker of the House, one member appointed
16 by the President of the Senate, one member appointed by the
17 Governor and the member representing public postsecondary
18 education institutions; and

19 C. Terms expiring January 1, 2006 include 2 members
20 appointed by the Governor, the member representing the state
21 board and the member representing the Public Utilities
22 Commission.

23 6. Expenses. Members of the advisory board must be
24 compensated according to the provisions of Title 5, chapter 379.

25 7. Appointment. When a member leaves the advisory board,
26 the appropriate appointing authority shall appoint a new member
27 to serve out the remainder of the term.

28 8. Staffing assistance. The commissioner and the
29 Commissioner of Administrative and Financial Services shall
30 provide appropriate staff support to the advisory board.

31 **§19110. Powers and duties of advisory board**

32 The powers and duties of the advisory board include the
33 following.

34 1. Annual learning technology plan. The advisory board
35 shall advise the commissioner in developing an annual learning
36 technology plan as described in section 19102, which must provide
37 the basis for the annual allocation of funds by the Legislature
38 from the endowment.

39 2. Learning technology standards and measurements. To
40 measure the effectiveness of the learning technology plan, the
41 advisory board may establish standards and methods of measuring

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2 progress in the levels of academic achievement for students who
3 participate in the learning technology plan. The advisory board
4 may also establish standards and methods of measuring progress in
5 the professional development of teachers who participate in the
6 learning technology programs funded by the learning technology
7 plan, as well as the impact of the learning technology plan on
8 parents and lifelong learners and the economic impact on
9 communities across the State. The advisory board may assess the
10 impacts of the learning technology plan according to these
11 standards and measurements.

12 3. Scope of assessment role. As part of its assessment
13 role, the advisory board also may consider relevant strategic
14 issues necessary to develop, maintain and support the achievement
15 of the goals of the learning technology plan. These issues may
16 include, but are not limited to, collaboration with the state
17 board regarding the implications of the learning technology plan
18 for pre-service teacher preparation and for standards-based
19 teacher certification in the State as well as collaboration with
20 other state agencies and state policymakers related to other
21 strategic issues necessary to ensure the most cohesive system
22 possible for planning, action and service in providing
23 kindergarten to grade 12 educational opportunities.

24 4. Annual report. The advisory board shall report annually
25 to the joint standing committee of the Legislature having
26 jurisdiction over education matters and the joint standing
27 committee of the Legislature having jurisdiction over
28 appropriations and financial affairs on the general status of the
29 finances and operations of the endowment and the learning
30 technology plan, including the results of the assessments
31 pursuant to subsections 2 and 3.

34 **Sec. 7. Annual learning technology plan.** For the 2002-2003
35 school year, notwithstanding the Maine Revised Statutes, Title
36 20-A, chapter 801, and for the purposes of presenting the
37 learning technology plan to be developed annually by the
38 Commissioner of Education in consultation with the Advisory Board
39 of the Maine Learning Technology Endowment pursuant to Title
40 20-A, chapter 801, the following components of the learning
41 technology plan that were recommended by the Task Force on the
42 Maine Learning Technology Endowment must be recommended by the
43 Commissioner of Education and the Advisory Board of the Maine
44 Learning Technology Endowment to be adopted, as appropriate, for
45 implementation in the 2002-2003 school year. This annual
46 learning technology plan must include the following elements as
47 described in the Final Report of the Task Force on the Maine
48 Learning Technology Endowment.

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2 **1. Goal.** The goal of the Maine Learning Technology
4 Endowment is to ensure a necessary level of access to technology,
6 the Internet and training and learning opportunities for all
8 public school students in the 7th and 8th grades and their
10 teachers.

12 **2. Local participation.** All school administrative units
14 may participate in the learning technology plan by submitting a
16 letter of intent indicating their willingness to participate.
18 All students educated at public expense are eligible to
20 participate in the program.

22 **3. Phase-in approach.** The learning technology plan must
24 begin in school year 2002-2003 with a phase-in approach that
26 begins with 7th grade students and extends in school year
28 2003-2004 to 8th grade students in public schools and then,
30 dependent on the availability of funds, encompasses a high school
32 expansion. The initial phase of the recommended program over the
34 first 2 years must target all schools, students and teachers at
36 the 7th and 8th grade levels. Phase I must encompass
38 approximately 242 schools with grade 7 or grade 8, 32,500
40 students and 2330 teachers. As soon as practicable, based on
42 3rd-party fundraising or improved revenue and cost projections,
44 the program may expand to all schools, students and teachers in
46 grades 9 to 12. The Commissioner of Education and the advisory
48 board annually shall assess the feasibility and recommended
50 strategy for the expansion of the program to the high school
level. The task force plan must serve as the learning technology
plan in school year 2002-2003. The Commissioner of Education is
authorized to take all steps reasonably necessary to implement
Phase I of the plan for school year 2002-2003 and, for that
school year only, to make expenditures and incur liabilities or
obligations without prior approval under the Maine Revised
Statutes, Title 20-A, section 19105, subsection 2.
Notwithstanding the Maine Revised Statutes, Title 20-A, section
19104, subsection 4 and section 19105, subsection 2, the
commissioner may use a portion of the initial principal of the
Maine Learning Technology Endowment to ensure the timely start-up
and implementation of Phase I of the learning technology plan.

**4. Coordination, utilization and expansion of existing
technology infrastructure.** The learning technology plan requires
the utilization of the Maine School and Library Network account,
the Telecommunications Education Access Fund and the federal
E-rate program to enable and complement the technology components
that are supported by the Maine Learning Technology Endowment.
Appropriate policymaking entities shall collaborate to ensure
that the overall learning technology infrastructure of the State
functions and expands in a coordinated fashion. The Public
Utilities Commission shall enter appropriate orders or take

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appropriate actions to ensure that capacity is developed and expanded to provide external and internal network connections, technical support and toll-free home network access as recommended in the Final Report of the Task Force on the Maine Learning Technology Endowment.

5. Plan. The learning technology plan must provide for:

A. Portable computing devices for every student and teacher with functional software appropriate to grade level;

B. Obtaining basic research information and databases;

C. An alternative equivalent value factor option to school administrative units if they meet the standards of the learning technology plan;

D. Teacher technology and professional development;

E. External and internal networks and technical support;

F. Costs for replacement of portable computing devices, servers and other equipment; and

G. An evaluation component.

Sec. 8. Fundraising plan. The fundraising plan required by the Maine Revised Statutes, Title 20-A, section 19103 must be part of the learning technology plan submitted to the Second Regular Session of the 120th Legislature in accordance with Title 20-A, section 19102.

Sec. 9. Transfer of funds. Notwithstanding the Maine Revised Statutes, Title 20-A, Part 9, the Commissioner of Administrative and Financial Services shall transfer \$20,000,000 from the Maine Learning Technology Endowment to the unappropriated surplus of the General Fund no later than August 1, 2001.

Sec. 10. Transfer of interest earned. All income interest earned from the investment of endowment funds before August 1, 2001 must be transferred from the Maine Learning Technology Endowment fund account held by the Board of Trustees of the Maine State Retirement System to the undedicated General Fund account in the Department of Administrative and Financial Services by September 1, 2001.

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

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Further amend the bill by inserting at the end before the summary the following:

FISCAL NOTE

2001-02

REVENUES

General Fund \$23,000,000

The amendment contains all the same language as that contained in Part II of Legislative Document 300 (House Paper 256) that was recently enacted in the current Legislative session and as of May 31, 2001 is awaiting the Governor's signature.

The amendment would transfer \$20,000,000 of the current balance of the Maine Learning Technology Endowment plus \$3,000,000 in accrued interest to the unappropriated surplus of the General Fund. The remaining balance in the Maine Learning Technology Endowment of approximately \$30,000,000 would be available for its original intended purpose. The amendment adds a fundraising provision that requires that goods and services valued at \$15,000,000 or more be raised or pledged on or before January 7, 2003 for the endowment to operate in a certain manner. If the fundraising goal is not achieved on or before January 7, 2003, the endowment ceases to operate as an endowment and the assets are managed to implement the learning technology plan through at least June 30, 2006.

The additional costs associated with various activities regarding the Maine Learning Technology Endowment can be absorbed by the Department of Administrative and Financial Services, the Board of Trustees of the Maine Retirement System, the Maine State Library and the Public Utilities Commission utilizing existing budgeted resources.'

SUMMARY

This amendment is the majority report of the Joint Standing Committee on Education and Cultural Affairs. The amendment adds an emergency preamble and emergency clause to the bill and accomplishes the following.

- 1. It clarifies references to the Board of Trustees of the Maine State Retirement System, which may be the entity selected by the Commissioner of Administrative and Financial Services to manage the investment of the endowment fund.

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2 2. It transfers \$20,000,000 of the original amount
4 appropriated to the Maine Learning Technology Endowment fund,
6 plus the interest income earned from the investment of the
 \$50,000,000 in the endowment fund on August 1, 2001, to the
 unexpended General Fund appropriations account.

8 3. It requires the State to raise a minimum of \$15,000,000
10 in contributions from nonstate sources by January 8, 2003.
12 Failure of the State to raise these contributions from nonstate
14 sources by this date will result in the removal of the limitation
 on the use of the endowment principal in implementing the
 learning technology plan in fiscal year 2002-03 through fiscal
 year 2005-06.

16 4. It stipulates that the principal and income of the
18 endowment may not be used to implement the fundraising plan. It
20 allows limited use of the initial principal to ensure timely
 start-up and implementation of Phase I of the task force plan for
 grades 7 and 8.

22 5. It establishes a mechanism to allow donors to redirect
24 their contributions to the endowment if the State fails to raise
 sufficient contributions by January 8, 2003.

26 6. It also adds a fiscal note to the bill.