

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 1747

H.P. 1284

House of Representatives, March 27, 2001

An Act Regarding School Funding Based on Essential Programs and Services.

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 and
Representatives: BELANGER of Caribou, DESMOND of Mapleton, ESTES of Kittery,
STEDMAN of Hartland, TESSIER of Fairfield, Senators: MILLS of Somerset, ROTUNDO of
Androscoggin, SMALL of Sagadahoc.

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

Sec. 1. 20-A MRSA c. 606-B is enacted to read:

CHAPTER 606-B

ESSENTIAL PROGRAMS AND SERVICES

§15671. Essential programs and services

Essential programs and services are those educational resources that must be provided for all students to meet the standards in the 8 content areas of the system of learning results established in chapter 222. In order to achieve this system of learning results, essential programs and services must be available in all schools on an equitable basis. Essential programs and services utilize resources that are currently provided or could be adapted to implement a system of learning results, as well as additional resources that are also needed to ensure that these programs and services are available to all students. These essential programs and services will be available in all schools by 2006-07. This school funding must be adequate to fully provide for all of the staffing and other material resource needs of the essential programs and services identified by the Legislature.

1. State and local partnership. The State and each local school administrative unit are jointly responsible for contributing to the cost of the components of essential programs and services described in this section.

2. Per-pupil guarantee amounts. A per-pupil guarantee represents the amount of funds that is to be made available for each subsidizable pupil. Three per-pupil guarantee amounts must be calculated, reflecting school level cost differences: one for kindergarten to grade 5, one for grades 6 to 8 and one for grades 9 to 12. These per-pupil guarantees must be modified as appropriate for specialized student populations. The per-pupil guarantee represents the annual cost of staffing and material resources that are appropriately allocated on a per-pupil basis. Categories of staffing and resources are as follows:

A. School personnel, including regular and special subject teachers, educational technicians, guidance, library, health services, administration, support or clerical staff and substitute teachers;

B. Supplies and equipment;

2 C. Specialized services, including professional
3 development, instructional leadership support, student
4 assessment, technology and cocurricular and extracurricular
5 programs; and

6 D. District services, including system administration and
7 maintenance operations.

8
9 3. Specialized student populations. In recognition that
10 educational needs can be more costly for some student populations
11 than for others, modified per-pupil guarantee amounts must be
12 calculated for specialized student populations. The specialized
13 student populations to be addressed are:

14 A. Special education students;

15 B. Limited English proficiency students;

16 C. Economically disadvantaged youth; and

17 D. Students in kindergarten to grade 2.

18
19 4. Educational cost components outside the per-pupil
20 guarantee. A per-pupil guarantee is not a suitable method for
21 allocation of all educational cost components. These components
22 may include, but are not limited to, debt service,
23 transportation, bus purchases, vocational education, small school
24 adjustments, teacher educational attainment and adjustments to
25 general purpose aid. The commissioner and the state board shall
26 provide separate recommendations for the funding methodology of
27 these educational cost components based on available research.

28
29 5. Regional cost differentials. Legitimate regional cost
30 differentials must be recognized in the school funding formula.
31 The Maine Education Policy Research Institute shall examine what
32 basis there may be for recognizing legitimate regional
33 differences.

34
35 6. Local control of expenditures. Except for those
36 components that are targeted funds, funds provided in accordance
37 with the essential programs and services described in this
38 section must be distributed as general purpose aid for local
39 schools, and each school administrative unit shall make its own
40 determination regarding the configuration of resources best
41 suited for its pupils and how to allocate available funds for
42 these resources.

43
44 7. Targeted funds. Funds for technology, assessment and
45 the costs of additional investments in educating children in
46 kindergarten to grade 2 must be provided as targeted grants.

2 School administrative units submit a plan for the use of these
3 funds and shall receive funding based on approval of the plan by
4 the commissioner.

5
6 **Sec. 2. Phase-in.** Following the completion of the 4-year plan
7 of targeted increases to the per-pupil guarantee and progress on
8 the subsidy reduction percentage as provided in the Maine Revised
9 Statutes, Title 20-A, chapter 606-A, the essential programs and
10 services approach to school funding must be phased in over a
11 4-year period beginning in fiscal year 2003-04 and fully
12 implemented in fiscal year 2006-07.

13
14 **Sec. 3. Subsidy cushions.** During the phase-in period described
15 in section 2 of this Act, the impact of any reduction in subsidy
16 between consecutive years for any school administrative unit must
17 be cushioned. Because such cushions are inequitable, the level
18 of the cushion must decline each year.

19
20 **Sec. 4. Best practices.** The State Board of Education shall
21 provide for ongoing research to identify those best practices in
22 schools that increase student performance or improve efficient
23 operation and use of resources. The State Board of Education, in
24 its report on essential programs and services to the joint
25 standing committee of the Legislature having jurisdiction over
26 education and cultural affairs, shall include benchmarks for best
27 practices and methods for promoting the use of these benchmarks.

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29 **Sec. 5. Report.** By January 15, 2002, the State Board of
30 Education and the Commissioner of Education shall report to the
31 Joint Standing Committee on Education and Cultural Affairs with
32 recommendations for full implementation of a system of school
33 funding and accountability for resources based on essential
34 programs and services, including comprehensive revisions to the
35 current school finance laws. In conjunction with the State Board
36 of Education, the Maine Education Policy Research Institute shall
37 examine what basis there may be for recognizing legitimate
38 regional differences. The report must include, but is not
39 limited to, recommendations on methods of determining costs for
40 each of the components described in this Act; periodic
41 adjustments to these components and to the calculated costs;
42 strategies for implementing the findings and recommendations of
43 follow-up studies on essential programs and services previously
44 directed by the Legislature; and a transition plan to full
45 implementation of this new funding system beginning in fiscal
46 year 2003-04 and completed no later than fiscal year 2006-07.

SUMMARY

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This bill establishes a timeline for a transition to a new school funding approach, based on essential programs and services, in order to provide all children with an equitable opportunity to access the resources necessary to achieve the high standards of Maine's system of learning results. The bill defines the core components of essential programs and services, including those elements to be funded on a per-pupil basis, resources for specialized student populations, major cost components to be determined on other than a per-pupil basis and targeted grants. The bill provides that funding essential programs and services is a state-local partnership, and that local school administrative units retain the authority to determine how to expend funds once they are received from the State, with the exception of the targeted grants. The bill provides for a report from the State Board of Education and the Commissioner of Education on a comprehensive transition plan, including revisions to the school finance laws, to be submitted in January 2002.