

# MAINE STATE LEGISLATURE

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# 120th MAINE LEGISLATURE

## SECOND REGULAR SESSION-2002

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Legislative Document

No. 2103

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H.P. 1602

House of Representatives, February 12, 2002

### **An Act Regarding Essential Programs and Services.**

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Reported by Representative RICHARD for the Joint Standing Committee on Education and Cultural Affairs pursuant to Joint Order 2001, H.P. 1579.

Reference to the Joint Standing Committee on Education and Cultural Affairs suggested and printing ordered under Joint Rule 218.

A handwritten signature in cursive script that reads "Millicent M. MacFarland".

MILLICENT M. MacFARLAND, Clerk

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

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

6 **CHAPTER 606-B**

8 **ESSENTIAL PROGRAMS AND SERVICES**

10 **§15671. Essential programs and services**

12 Essential programs and services are those educational  
14 resources that must be provided for all students to meet the  
16 standards in the 8 content standard subject areas of the system  
18 of learning results established in chapter 222. In order to  
20 achieve this system of learning results, essential programs and  
22 services must be available in all schools on an equitable basis.  
24 Essential programs and services utilize resources including  
26 federal funds 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 must be available in all schools no later than  
2007-08. 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.

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

32 2. Per-pupil guarantee amounts. A per-pupil guarantee  
34 represents the amount of funds that is to be made available for  
36 each subsidizable pupil. Three per-pupil guarantee amounts must  
38 be calculated, reflecting grade level cost differences: one for  
40 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 special 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:

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

48 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. School administrative unit services, including system  
7           administration and operation and maintenance of plant.

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 or weighted  
12          pupil counts must be calculated for specialized student  
13          populations. The specialized student populations to be addressed  
14          are:

15           A. Special education students;

16           B. Limited English proficiency students;

17           C. Economically disadvantaged students; and

18           D. Students in kindergarten to grade 2.

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 longevity of  
25          service and adjustments to general purpose aid. The funding  
26          methodology of these educational cost components must be  
27          established based on available research.

28           5. Local control of expenditures. Except for those  
29          components that are targeted funds, funds provided for the  
30          essential programs and services described in this section must be  
31          distributed as general purpose aid for local schools, and each  
32          school administrative unit shall make its own determination  
33          regarding the configuration of resources best suited for its  
34          pupils and how to allocate available funds for these resources.

35           6. Targeted funds. Funds for technology, assessment and  
36          the costs of additional investments in educating children in  
37          kindergarten to grade 2 must be provided as targeted grants.  
38          School administrative units shall submit a plan for the use of  
39          these funds and shall receive funding based on approval of the  
40          plan by the commissioner.

41  
42           Sec. 2. Recommended funding levels for fiscal year 2003-04. In  
43          addition to the fiscal year 2003-04 funding level

2 that is recommended by the Commissioner of Education to the  
Governor as prescribed in the Maine Revised Statutes, Title 20-A,  
4 section 15605, the Commissioner of Education shall also recommend  
at the same time an alternative funding level for fiscal year  
6 2003-04 for consideration by the State Board of Education, the  
Governor and the Legislature.

8       **1. Basis.** The alternative funding level for fiscal year  
2003-04 must be based on the essential programs and services  
10 funding model, as described in the Maine Revised Statutes, Title  
20-A, chapter 606-B, and must contain the elements described in  
12 more detail in the report issued by the State Board of Education  
to the 119th Legislature pursuant to Public Law 1997, chapter 24,  
14 Part X, with any refinements and updates to those elements that  
have been endorsed by the State Board of Education prior to the  
16 time of the Commissioner of Education's recommendation for fiscal  
year 2003-04, provided those refinements and updates are  
18 consistent with the report on school funding issued in January  
2002 by the Joint Standing Committee on Education and Cultural  
20 Affairs.

22       **2. Public input.** Prior to the determination by the State  
Board of Education of the elements of essential programs and  
24 services to be used in the Commissioner of Education's  
recommended alternative funding level for fiscal year 2003-04,  
26 the State Board of Education in conjunction with the Commissioner  
of Education shall hold such public forums on the proposed  
28 elements as are appropriate to inform and solicit input from key  
stakeholders and the public.

30       **3. Issues identified by Commissioner of Education.** If the  
32 Commissioner of Education, in developing the recommended  
alternative funding level for fiscal year 2003-04, identifies  
34 issues that have not been sufficiently addressed by the prior  
reports and actions of the State Board of Education, then the  
36 commissioner may recommend resolutions to these issues in the  
presentation of the alternative funding level for fiscal year  
38 2003-04.

40       **4. Revisions to school finance laws.** With the recommended  
alternative funding level for fiscal year 2003-04, the  
42 Commissioner of Education shall present to the State Board of  
Education and to the Legislature any proposed statutory language  
44 necessary to implement the essential programs and services  
funding model, beginning in fiscal year 2003-04. This proposed  
46 statutory language must include the consolidation and  
simplification of existing laws regarding school finance.

48       **Sec. 3. Phase-in.** The essential programs and services  
50 approach to school funding must be phased in over a period of

2 time beginning in fiscal year 2003-04. The essential programs  
and services approach must be fully implemented by fiscal year  
4 2007-08. The details of this phase-in plan must be presented to  
the State Board of Education and the Legislature in conjunction  
6 with the Commissioner of Education's recommended alternative  
funding level for fiscal year 2003-04. The phase-in plan must  
8 address the relation between the essential program and services  
funding model and the levels of state funding necessary to reach  
10 a state share of funding of at least 50% of eligible general fund  
education costs statewide, exclusive of federal funds accounted  
for under the model.

12

**Sec. 4. Subsidy cushions.** During the phase-in period described  
14 in this Act, the impact of any reduction in subsidy between  
consecutive years for any school administrative unit must be  
16 cushioned. Because such cushions are inequitable, the level of  
the cushion must decline each year, with cushions related to the  
18 phase-in of the essential programs and services approach to  
school funding ending no later than fiscal year 2007-08.

20

**Sec. 5. Best practices.** The State Board of Education shall  
22 provide for ongoing research to identify those best practices in  
schools that increase student performance or improve efficient  
24 operation and use of resources. The State Board of Education, in  
its report on essential programs and services to the joint  
26 standing committee of the Legislature having jurisdiction over  
education and cultural affairs, shall provide information about  
28 best methods for promoting the use of these practices in school  
administrative units.

30

**Sec. 6. Report.** By January 15, 2003, the State Board of  
32 Education and the Commissioner of Education shall report to the  
joint standing committee of the Legislature having jurisdiction  
34 over education and cultural affairs with recommendations and  
proposed statutory language for full implementation of a system  
36 of school funding and accountability for resources based on  
essential programs and services, including comprehensive  
38 revisions to the current school finance laws. In conjunction  
with the State Board of Education, the Education Research  
40 Institute shall examine what basis there may be for recognizing  
legitimate regional differences. The report and the accompanying  
42 proposed statutory language must include, but are not limited to,  
recommendations on methods of determining costs for each of the  
44 components described in this Act; periodic adjustments to these  
component and to the calculated costs; strategies for  
46 implementing the findings and recommendations of follow-up  
studies on essential programs and services previously directed by  
48 the Legislature; findings and recommendations on the feasibility  
and appropriateness of a regional cost adjustment for legitimate  
50 regional differences in the cost of components; findings and

2 recommendations on the appropriateness and feasibility of  
adjustments for educator recruitment and retention through  
4 equitable compensation; and a transition plan to full  
implementation of this new funding system beginning in fiscal  
6 year 2003-04 and completed no later than fiscal year 2007-08.  
The State Board of Education and the Commissioner of Education  
8 may introduce legislation related to their report to the First  
Regular Session of the 121st Legislature at the time of  
submission of their report.

10

12

## SUMMARY

14

The Joint Standing Committee on Education and Cultural  
Affairs is reporting out this bill to the House pursuant to Joint  
16 Order H.P. 1579.

18

The committee bill proposes to accomplish the following.

20

1. It establishes a timeline for a transition to a new  
school funding approach, based on essential programs and  
22 services, in order to provide all children with an equitable  
opportunity to access the resources necessary to achieve the high  
24 standards of Maine's system of learning results.

26

2. It defines essential programs and services, including  
those elements to be funded on a per-pupil basis, addresses  
28 resources for specialized student populations, defines major cost  
components to be determined on other than a per-pupil basis and  
30 provides for targeted grants.

32

3. It provides that funding essential programs and services  
is a state-local partnership, and that local school  
34 administrative units retain the authority to determine how to  
expend funds once they are received from the State, with the  
36 exception of the targeted grants.

38

4. It directs the Commissioner of Education and the State  
Board of Education to prepare an alternative recommended funding  
40 level based on essential programs and services for fiscal year  
2003-04, in addition to the recommended funding level for fiscal  
42 year 2003-04 as provided under current law.

44

5. It provides for a report from the State Board of  
Education and the Commissioner of Education on a comprehensive  
46 transition plan, including proposed revisions to the school  
finance laws, to be submitted to the joint standing committee of  
48 the Legislature having jurisdiction over education and cultural  
affairs in January 2003.