

MAINE STATE LEGISLATURE

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R.efs

L.D. 1112

DATE: 4-28-03

(Filing No. H-201)

MINORITY
EDUCATION AND CULTURAL AFFAIRS

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
121ST LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 815, L.D. 1112, Bill, "An Act To Restore an Annual Adjustment for Costs to the School Funding Formula"

Amend the bill by inserting after section 2 the following:

Sec. 3. PL 2003, c. 20, Pt. C, §§14, 15 and 18 are amended to read:

Sec. C-14. Adjustments and miscellaneous costs allocation. The adjustments and miscellaneous costs allocation of state funds for fiscal year 2003-04 for the purposes listed in this section is as follows:

| | 2003-04 TOTAL |
|---|------------------|
| Adjustments and Miscellaneous Costs | |
| Cost of geographic isolation adjustments | \$483,140 |
| Cost of quality incentive adjustments | 0 |
| Audit adjustments | 0 |
| Cost of reimbursement for private school services | 200,228 |

COMMITTEE AMENDMENT

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2003

| | | |
|----|---|---------------------|
| 2 | Special education tuition and board for state wards and other pupils placed directly by the State | 11,076,541 |
| 4 | State agency clients | 25,514,625 |
| 6 | English as a 2nd language | 2,100,412 |
| 8 | Out-of-district placements | 2,939,905 |
| 10 | Long-term drug treatment centers | 68,327 |
| 12 | Contract for cost-of-education-and income-data <u>development of normalized</u> <u>regional cost adjustment index</u> | 0 <u>40,000</u> |
| 14 | Learning results implementation | 1,250,000 |
| 16 | Maine Education Policy Research Institute | 150,000 |
| 18 | Essential Programs and Services contract | 75,000 |
| 20 | Fiscal Year 2003-04 Tier 1 Cushion | 4,000,000 |
| 22 | Fiscal year 2003-04 Tier 2 Cushion | 1,000,000 |
| 24 | Total Adjustments | <u>\$48,858,178</u> |
| 26 | | <u>\$48,898,178</u> |

30 **Sec. C-15. Adjustments and miscellaneous costs appropriation.** The
 32 adjustments and miscellaneous costs appropriation provided for
 34 general purpose aid for local schools for the fiscal year
 beginning July 1, 2003 and ending June 30, 2004 is calculated as
 follows:

| | 2003-04 TOTAL | 2003-04 STATE |
|----|--|----------------------|
| 36 | | |
| 38 | | |
| 40 | | |
| | ADJUSTMENTS AND MISCELLANEOUS COSTS | |
| | TOTAL | |
| | \$48,858,178 | \$48,858,178 |
| | <u>\$48,898,178</u> | <u>\$48,898,178</u> |
| 42 | | |
| 44 | | |
| | FOUNDATION, DEBT SERVICE AND | |
| | ADJUSTMENTS AND MISCELLANEOUS | |
| | COSTS | |
| | TOTAL | |
| | \$1,469,626,579 | \$732,126,120 |
| | <u>\$1,469,666,579</u> | <u>\$732,166,120</u> |

48 **Sec. C-18. Component funding.** In accordance with the Maine
 50 Revised Statutes, Title 20-A, section 15607, subsection 3,

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component funding within general purpose aid for local schools for fiscal year 2003-04 is as follows:

| | |
|--|----------------------|
| | 2003-04 |
| Foundation (including Minimum State Subsidy) | \$623,398,405 |
| Debt Service | 59,869,537 |
| Adjustments | 48,858,178 |
| | <u>48,898,178</u> |
| TOTAL | <u>\$732,126,120</u> |
| | <u>\$732,166,120</u> |

Sec. 4. Appropriations and allocations. The following appropriations and allocations are made.

EDUCATION, DEPARTMENT OF

General Purpose Aid for Local Schools 0308

Initiative: Provides one-time funds to the adjustment and miscellaneous cost component of general purpose aid for local schools for the department to contract with an outside vendor to develop a normalized regional cost adjustment index to be used to adjust a median household income value to reflect variations in regional costs.

| | | |
|---------------------|-----------------|----------------|
| General Fund | 2003-04 | 2004-05 |
| All Other | \$40,000 | \$0 |
| General Fund Total | <u>\$40,000</u> | <u>\$0'</u> |

SUMMARY

This amendment is the minority report. The amendment adds an appropriation and allocation section to the bill and makes necessary adjustments to Public Law 2003, chapter 20 to reflect the impact of this bill.

FISCAL NOTE REQUIRED
(See attached)

**121st Maine Legislature
Office of Fiscal and Program Review**



LD 1112

An Act to Restore an Annual Adjustment for Costs to the School Funding Formula

LR 0036(02)

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Education and Cultural Affairs

Fiscal Note Required: Yes

Fiscal Note

| | 2003-04 | 2004-05 | Projections 2005-06 | Projections 2006-07 |
|-----------------------------------|----------|---------|------------------------|------------------------|
| Net Cost (Savings) | | | | |
| General Fund | \$40,000 | \$0 | \$0 | \$0 |
| Appropriations/Allocations | | | | |
| General Fund | \$40,000 | \$0 | \$0 | \$0 |

Fiscal Detail and Notes

This bill includes a one-time General Fund appropriation in fiscal year 2003-04 to the General Purpose Aid for Local Schools program within the Department of Education to contract with an outside vendor to develop the adjustment. The department estimates that it will take approximately six to eight months for the index to be developed. The funds appropriated for General Purpose Aid for Local Schools will be redistributed once the index is available. The impact to local school units can not be determined at this time.