

MAINE STATE LEGISLATURE

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121st MAINE LEGISLATURE

FIRST REGULAR SESSION-2003

Legislative Document

No. 1623

S.P. 575

In Senate, May 22, 2003

An Act To Implement School Funding Based on Essential Programs and Services

Reference to the Committee on Education and Cultural Affairs suggested and ordered printed.

A handwritten signature in cursive script, reading "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator DOUGLASS of Androscoggin. (GOVERNOR'S BILL)
Cosponsored by Representative CUMMINGS of Portland and
Senators: BRENNAN of Cumberland, MITCHELL of Penobscot, ROTUNDO of
Androscoggin, TURNER of Cumberland, Representatives: LEMOINE of Old Orchard Beach,
MILLETT of Waterford, MILLS of Cornville.

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

PART A

Sec. A-1. 20-A MRSA c. 606-A, as amended, is repealed.

Sec. A-2. 20-A MRSA §15670 is enacted to read:

§15670. Short title

This chapter may be known and cited as "the Essential Programs and Services Funding Act."

Sec. A-3. 20-A MRSA §15671, sub-§7 is enacted to read:

7. Transition; annual targets. To achieve the system of school funding based on essential programs and services required by this section, the following annual targets are established.

A. The annual targets for the essential programs and services transition percentage are as follows.

(1) For fiscal year 2005-06, the target is 84%.

(2) For fiscal year 2006-07, the target is 88%.

(3) For fiscal year 2007-08, the target is 92%.

(4) For fiscal year 2008-09, the target is 96%.

(5) For fiscal year 2009-10 and succeeding years, the target is 100%.

B. The annual targets for the state share percentage are as follows.

(1) For fiscal year 2005-06, the target is 44%.

(2) For fiscal year 2006-07, the target is 45%.

(3) For fiscal year 2007-08, the target is 46%.

(4) For fiscal year 2008-09, the target is 48%.

(5) For fiscal year 2009-10 and succeeding years, the target is 50%.

Sec. A-4. 20-A MRSA §§15672 to 15687 are enacted to read:

§15672. Definitions

2 As used in this chapter, unless the context otherwise
4 indicates, the following terms have the following meanings.

6 1. Allocation year. "Allocation year" means the year that
 subsidy is distributed to school administrative units.

8 2. Clerical staff. "Clerical staff" means full-time public
10 school secretaries, as documented in the department's database.

12 3. Economically disadvantaged students. "Economically
14 disadvantaged students" means students who are included in the
 department's count of students who are eligible for free or
 reduced-price meals or free milk or both.

16 4. Education technician. "Education technician" means a
18 full-time public teacher aide or education technician I,
20 associate teacher or education technician II or assistant teacher
 or education technician III but not a special education
 technician I, II or III, as documented in the department's
 database.

22 5. Elementary free or reduced-price meals percentage.
24 "Elementary free or reduced-price meals percentage" means the
26 percentage, as determined by the commissioner, that reflects
 either:

28 A. The actual percentage of elementary students in a school
30 administrative unit who are eligible to receive free or
 reduced-price meals or free milk or both; or

32 B. The commissioner's estimated percentage of elementary
34 students in a school administrative unit who are eligible to
 receive free or reduced-price meals or free milk or both.

36 6. Elementary grades. "Elementary grades" means
38 kindergarten to grade 8 and includes children enrolled in early
40 kindergarten programs and 4-year-old children enrolled in a
 2-year childhood education program prior to grade one.

42 7. Elementary school level. "Elementary school level"
44 means the grades from kindergarten to grade 5 and includes early
 kindergarten programs and 2-year childhood education programs
 enrolling 4-year-old children prior to grade one.

46 8. Essential programs and services. "Essential programs
48 and services" means those educational resources that are
50 identified in this chapter that enable all students to meet the
 standards in the 8 content standard subject areas of the system
 of learning results established in chapter 222.

2 **9. Essential programs and services transition percentage.**
3 "Essential programs and services transition percentage" means the
4 full estimated cost for all essential programs and services for
5 that fiscal year that will be funded by a state contribution or
6 by a required local contribution.

8 **10. Grade 9 to 12 portion.** "Grade 9 to 12 portion" means
9 those pupils in the secondary grades or high school level.

10 **11. Guidance staff.** "Guidance staff" means full-time
11 public guidance counselors, directors of guidance or school
12 social workers, as documented in the department's database.

13 **12. Health staff.** "Health staff" means full-time public
14 school nurses, as documented in the department's database.

15 **13. High school level.** "High school level" means grade 9 to
16 grade 12.

17 **14. Income weight.** "Income weight" means a value between
18 zero and one that is used to adjust a municipality's ratio of
19 local median household income to the statewide median household
20 income. The income weight plus the property weight, as defined
21 in subsection 24, must total one.

22 **15. Kindergarten to grade 8 portion.** "Kindergarten to grade
23 8 portion" means those pupils in the elementary grades or a
24 combination of the elementary school level and middle school
25 level.

26 **16. Kindergarten to grade 2 student.** "Kindergarten to
27 grade 2 student" means a student in any grade from
28 prekindergarten to grade 2 who is at least 5 years old on October
29 15th of the school year.

30 **17. Librarian.** "Librarian" means a full-time public
31 librarian or media specialist, as documented in the department's
32 database.

33 **18. Limited English proficiency student.** "Limited English
34 proficiency student" means a student who was not born in the
35 United States or whose native language is a language other than
36 English and who satisfies the definition of a limited English
37 proficient student under the federal No Child Left Behind Act of
38 2001, 20 United States Code, Chapter 70.

39 **19. Media assistant.** "Media assistant" means a full-time
40 public librarian aide or library technician I, librarian
41 assistant or library technician II or librarian associate or
42 library technician III or library technician IV.

library technician III, as documented in the department's database.

20. Middle school level. "Middle school level" means grade 6 to grade 8.

21. Municipality. "Municipality" means a city, town or organized plantation.

22. Per-pupil guarantee. "Per-pupil guarantee" means the total amount of funds that is made available for each subsidizable pupil representing the following cost components:

A. Salary and benefit costs for school level teaching staff;

B. Salary and benefit costs for other identified school level staff;

C. Designated costs for substitute teachers; and

D. Identified nonstaffing costs.

23. Property fiscal capacity. "Property fiscal capacity" means the lesser of the average of the state valuation amounts for the 2 most recent years prior to the year of funding and the state valuation amount for the most recent year.

24. Property weight. "Property weight" means a value between zero and one that is used to adjust a municipality's ratio of local per-pupil property fiscal capacity to the statewide per-pupil property fiscal capacity. The income weight, as defined in subsection 14, plus the property weight must total one.

25. School administrative staff. "School administrative staff" means full-time public school principals and assistant principals, as documented in the department's database.

26. School administrative unit's local contribution to per-pupil guarantee. "School administrative unit's local contribution to the per-pupil guarantee" means the funds that a school administrative unit provides for each subsidizable pupil who resides in that unit.

27. School administrative unit's state contribution to per-pupil guarantee. "School administrative unit's state contribution to the per-pupil guarantee" means the funds that the State provides to a school administrative unit for each subsidizable pupil who resides in that unit.

2 **28. School level.** "School level" means elementary level,
middle school level and high school level.

4 **29. School level teaching staff.** "School level teaching
6 staff" means full-time public classroom teachers, itinerant
classroom teachers and special teachers of reading or literacy
8 specialists excluding special education teachers and vocational
education teachers, as documented in the department's database.

10 **30. Secondary grades.** "Secondary grades" means grade 9 to
12 grade 12.

14 **31. State share percentage.** "State share percentage" means
the percentage of the sum of the following amounts that is
16 provided by a state appropriation:

18 A. Operating costs total allocation, as described in
section 15683;

20 B. Program costs allocation, as described in section 15608,
subsection 2;

22 C. Allocations for debt service costs, as defined in
24 section 15603, subsection 8; and

26 D. Allocations for all adjustments and miscellaneous costs
28 authorized pursuant to sections 15612 and 15613.

30 **32. Subsidizable pupils.** "Subsidizable pupils" means all
school level pupils who reside in a school administrative unit
and who are educated at public expense.

32 **33. Year of funding.** "Year of funding" means the fiscal
34 year during which state subsidies are disbursed to school
administrative units, except as specified in section 15005,
36 subsection 1.

38 **§15673. Relationship to School Finance Act of 1985**

40 The provisions of chapter 606 apply except as described in
this section.

42 **1. Operating costs mill rate.** The operating costs mill rate,
44 as described in chapter 606, is in effect for the limited
purposes of determining the state and local shares of each school
46 administrative unit's program costs allocation and its debt
service allocation and for determining the amount required to
48 provide the total state share of the operating allocation under
this Act. For each individual school administrative unit, the
50 amounts described in section 15681 are used rather than the

amounts in section 15608, subsection 1; section 15609, subsection 1, paragraph A; or section 15610, subsection 1, paragraph A.

§15674. Pupil counts

1. Pupil counts used for determination of operating costs.
In addition to the additional weighted counts authorized under section 15675 and except as provided in subsection 2, the pupil count used for operating costs in this Act is the sum of:

A. The average number of secondary school-age persons enrolled in an adult education course counted during the most recent calendar year counted pursuant to section 8605, subsection 2;

B. The average number of students in equivalent instruction programs during the most recent calendar year, as reported pursuant to section 5021, subsection 8; and

C. The greater of:

(1) The average of the 2 pupil counts for April 1st and October 1st of the most recent calendar year prior to the year of funding, reported in accordance with section 6004, including the counts of students enrolled in an alternative program made in accordance with section 5104-A; and

(2) The average of the 2 pupil counts for April 1st and October 1st of the 2 most recent calendar years prior to the year of funding, reported in accordance with section 6004, including the counts of students enrolled in an alternative program and counted in accordance with section 5104-A.

2. Exception. Notwithstanding subsection 1, paragraph C, the pupil count identified in subsection 1, paragraph C, subparagraph (1) must be used for:

A. Elementary school level and middle school level students for school administrative units that send all their elementary school level and middle school level students as tuition students to schools elsewhere in the State;

B. High school level students for school administrative units that send all their high school level students as tuition students to schools elsewhere in the State; and

2 C. School level students for school administrative units
3 that send all their school level students to schools
4 elsewhere in the State.

6 **§15675. Specialized student populations; additional weights**

8 For the purpose of calculating the total operating
9 allocation under this chapter pursuant to section 15683, the
10 following additional weights must be added to the per-pupil count
11 calculated under section 15674, subsection 1, paragraph C,
12 subparagraph (1).

14 **1. Limited English proficiency students.** The additional
15 weights for school administrative units with limited English
16 proficiency students are as follows:

18 A. For a school administrative unit with 15 or fewer
19 limited English proficiency students, the unit receives an
20 additional weight of .50 per student;

22 B. For a school administrative unit with more than 15 and
23 fewer than 251 limited English proficiency students, the
24 unit receives an additional weight of .30 per student; and

26 C. For a school administrative unit with 251 or more limited
27 English proficiency students, the unit receives an
28 additional weight of .60 per student.

30 **2. Economically disadvantaged students.** For each
31 economically disadvantaged student, a school administrative unit
32 receives an additional weight of .15. The number of economically
33 disadvantaged students for each unit is determined by multiplying
34 the number of resident pupils in the most recent calendar year by
35 the most recent available elementary free or reduced-price meals
36 percentage. The elementary free or reduced-price meals
37 percentage may be applied to determine the number of economically
38 disadvantaged students in the unit's secondary grades.

40 **3. Kindergarten to grade 2 students.** If a school
41 administrative unit is eligible to receive targeted funds for its
42 kindergarten to grade 2 program under section 15681, then for
43 each kindergarten to grade 2 student, the unit receives an
44 additional weight of .10.

46 A. For purposes of the additional weight under this
47 subsection, the count of kindergarten to grade 2 students is
48 calculated based on the number of resident pupils in the
49 most recent calendar year.

2 B. Only school administrative units with a kindergarten to
3 grade 2 program approved by the department are eligible for
4 funds pursuant to this subsection or other comparable index.

5 C. Funds provided pursuant to this subsection may be
6 expended only on behalf of kindergarten to grade 2 students.

8 **§15676. Per-pupil guarantee**

10 For each school administrative unit, the commissioner shall
11 calculate the unit's per-pupil guarantee for each year as the sum
12 of:

14 1. Teaching staff costs. The salary and benefit costs for
15 school level teaching staff that are necessary to carry out this
16 Act, calculated in accordance with section 15678;

18 2. Other staff costs. The salary and benefit costs for
19 school-level staff who are not teachers, but including substitute
20 teachers, that are necessary to carry out this Act, calculated
21 in accordance with section 15679; and

22 3. Additional costs. The per-pupil amounts not related to
23 staffing, calculated in accordance with section 15680.

26 **§15677. Salary matrix**

28 1. Salary matrix defined. For purposes of this section,
29 "salary matrix" means the relationships on a statewide basis
30 between average staff salaries and:

32 A. Years of staff experience; and

34 B. Levels of staff education.

36 2. Determination of matrix. The salary matrix must be
37 determined in accordance with the following.

38 A. For fiscal year 2005-06, the commissioner, using
39 information provided by a statewide education policy
40 research institute, shall establish the salary matrix based
41 on the most recently available relevant data and appropriate
42 trends in the Consumer Price Index or other comparable index.

43 B. For fiscal year 2006-07 and each subsequent year, the
44 commissioner shall update the previous year's salary matrix
45 to reflect appropriate trends in the Consumer Price Index or
46 other comparable index.

50 **§15678. Calculation of salary and benefit costs; school level**
51 **teaching staff**

2 1. Salary and benefit costs; teaching positions. The
3 commissioner shall annually determine, for each school
4 administrative unit, the salary and benefit costs of all school
5 level teaching positions that are necessary to carry out this Act.

6
7 2. Ratios. In calculating the salary and benefit costs
8 pursuant to this section, the commissioner shall utilize the
9 following student-to-teacher ratios.

10 A. For the elementary school level, the student-to-teacher
11 ratio is 17:1.

12 B. For the middle school level, the student-to-teacher ratio
13 is 16:1.

14 C. For the high school level, the student-to-teacher ratio
15 is 15:1.

16
17 3. Number of teaching positions required. The commissioner
18 shall identify for each school administrative unit, using the
19 pupil count arrived at under section 15674, subsection 1,
20 paragraph C, subparagraph (1), the number of school level
21 teaching positions that are required in order to achieve the
22 student-to-teacher ratios set forth in subsection 2.

23 4. Estimated salary costs. The commissioner shall determine
24 the estimated salary cost for the number of school level teaching
25 positions required under subsection 3. In order to calculate
26 this amount, the commissioner shall use the salary matrix
27 pursuant to section 15677 for all school level teaching positions
28 in each category.

29 5. Total salary and benefit costs for school level teaching
30 staff. The total salary and benefit costs for school level
31 teaching staff are equal to the sum of:

32 A. The amount identified pursuant to subsection 4; and

33 B. The amount, as determined by the commissioner, that
34 equals the statewide percentage of salary costs that
35 represents the statewide benefit costs.

36 **§15679. Calculation of salary and benefit costs; other**
37 **school level staff**

38 1. Salary and benefit costs; other school level positions.
39 The commissioner shall annually determine, for each school
40 administrative unit, the salary and benefit costs of all school
41 level teaching positions that are necessary to carry out this Act.

level positions other than teaching positions, referred to in this section as "staff," that are necessary to carry out this Act.

2. Students-to-staff ratios. In calculating the salary and benefit costs pursuant to this section, the commissioner shall utilize the following student-to-staff ratios.

A. For the elementary school level and the middle school level:

(1) The student-to-education technician ratio is 100:1;

(2) The student-to-guidance staff ratio is 350:1;

(3) The student-to-librarian ratio is 800:1;

(4) The student-to-media assistant ratio is 500:1;

(5) The student-to-health staff ratio is 800:1;

(6) The student-to-school administrative staff ratio is 305:1; and

(7) The student-to-clerical staff ratio is 200:1.

B. For the high school level:

(1) The student-to-education technician ratio is 250:1;

(2) The student-to-guidance staff ratio is 250:1;

(3) The student-to-librarian ratio is 800:1;

(4) The student-to-media assistant ratio is 500:1;

(5) The student-to-health staff ratio is 800:1;

(6) The student-to-school administrative staff ratio is 315:1; and

(7) The student-to-clerical staff ratio is 200:1.

3. Number of staff positions required. The commissioner shall identify for each school administrative unit, using the pupil count arrived at under section 15674, subsection 1, paragraph C, subparagraph (1), the number of staff positions that are required in order to achieve the student-to-staff ratios set forth in subsection 2.

2 **4. Estimated salary costs.** The commissioner shall
3 determine the estimated salary costs for the number of staff
4 positions required under subsection 3. In order to calculate
5 this amount, the commissioner, where appropriate, shall use the
6 salary matrix pursuant to section 15677 for all staff positions
7 in each category.

8 **5. Salary costs for substitute teachers.** The commissioner
9 shall calculate the additional salary costs for substitute
10 teachers for each school administrative unit using the pupil
11 count arrived at under section 15674, subsection 1, paragraph C,
12 subparagraph (1). In order to calculate this amount, the
13 commissioner shall establish a per-pupil rate for the cost of a
14 substitute teacher for 1/2 day.

15 **6. Total salary and benefit costs for staff.** The total
16 salary and benefit costs for staff is equal to the sum of:

17 A. The estimated salary costs determined pursuant to
18 subsection 4;

19 B. The amount, as determined by the commissioner, that
20 equals the statewide percentage of estimated salary costs
21 determined pursuant to subsection 4 that represents the
22 statewide benefit costs; and

23 C. The substitute teacher salary costs determined pursuant
24 to subsection 5.

25 **\$15680. Per-pupil amounts not related to staffing**

26 **1. Additional cost components.** The commissioner shall
27 calculate one set of per-pupil amounts for each of the following
28 cost categories to be applied to the elementary school level and
29 middle school level and shall calculate another set of per-pupil
30 amounts for each of the following cost categories to be applied
31 to the high school level:

32 A. System administration. The per-pupil amount for "system
33 administration" is the actual system administration
34 expenditures, as defined in the State's accounting handbook
35 for local school systems, for the most recent year available
36 excluding expenditures for leases and the purchase of land
37 and buildings, less revenues to system administration for
38 services to other governments and refunds from a statewide
39 school management association, divided by the average
40 October and April enrollment counts for that fiscal year and
41 then inflated to an estimated allocation year level by a
42 10-year average increase in the Consumer Price Index or
43 other comparable index;

2 B. Operation and maintenance of plant. The per-pupil amount
3 for "operation and maintenance of plant" is the actual
4 operation and maintenance of plant expenditures, as defined
5 in the State's accounting handbook for local school systems,
6 for the most recent year available excluding expenditures
7 for leases and the purchase of land and buildings, divided
8 by the average October and April enrollment counts for that
9 fiscal year and then inflated to an estimated allocation
10 year level by a 10-year average increase in the Consumer
11 Price Index or other comparable index;

12 C. Supplies and equipment;

14 D. Cocurricular and extracurricular activities;

16 E. Professional development; and

18 F. Instructional leadership support.

20 2. Fiscal year 2005-06. For fiscal year 2005-06, the
21 commissioner shall submit the per-pupil amounts for additional
22 cost components under subsection 1 to the state board for
23 approval.

24 3. Fiscal year 2006-07 and beyond. For fiscal year 2006-07
25 and for each subsequent year, the commissioner shall recalculate
26 the per-pupil amounts for additional cost components under
27 subsection 1 using the amounts approved by the state board under
28 subsection 2 as a base and appropriate trends in the Consumer
29 Price Index or other comparable index.

30 4. Review; approval. Beginning in fiscal year 2008-09, and
31 at least every 3 years thereafter, the commissioner, using
32 information provided by a statewide education policy research
33 institute, shall review the essential programs and services
34 components under this Act and shall submit any recommended
35 changes to the state board for approval.

36 **§15681. Targeted funds**

37 1. Eligibility. In order for a school administrative unit
38 to receive targeted funds under this section, the school
39 administrative unit must meet the following eligibility criteria.

40 A. To receive targeted student assessment funds calculated
41 pursuant to subsection 2, a school administrative unit must
42 be in compliance with applicable state statutes and
43 department rules regarding local assessment systems for the
44 system of learning results established in section 6209 and
45 be in compliance with applicable federal statutes and

2 regulations pertaining to student assessment as required by
3 the federal No Child Left Behind Act of 2001, 20 United
4 States Code, Chapter 70.

6 B. To receive targeted technology resource funds calculated
7 pursuant to subsection 3, a school administrative unit must
8 be in compliance with the technology components of the
9 unit's comprehensive education plan as required under
10 section 4502, subsection 1.

12 C. To receive targeted kindergarten to grade 2 funds
13 calculated pursuant to subsection 4, the school
14 administrative unit must be in compliance with any
15 applicable reporting requirements for local early childhood
16 programs.

18 **2. Targeted student assessment funds.** For targeted student
19 assessment funds, the commissioner shall calculate one amount
20 that may be made available to the elementary school level and
21 middle school level and another amount that may be made available
22 to the high school level in accordance with the following.

24 A. For fiscal year 2005-06, the commissioner shall establish
25 a per-pupil amount for targeted student assessment funds.

26 B. For fiscal year 2006-07 and each subsequent year, the
27 commissioner shall recalculate the per-pupil amount by using
28 the amount calculated under paragraph A as a base and
29 appropriate trends in the Consumer Price Index or other
30 comparable index.

32 **3. Targeted technology resource funds.** For targeted
33 technology resource funds, the commissioner shall calculate one
34 amount that may be made available to the elementary school level
35 and middle school level and another amount that may be made
36 available to the high school level in accordance with the
37 following.

38 A. For fiscal year 2005-06, the commissioner shall establish
39 a per-pupil amount for targeted technology resource funds.

40 B. For fiscal year 2006-07 and each subsequent year, the
41 commissioner shall recalculate the per-pupil amount by using
42 the amount calculated under paragraph A as a base and
43 appropriate trends in the Consumer Price Index or other
44 comparable index.

46 **4. Kindergarten to grade 2 funds.** For targeted kindergarten
47 to grade 2 funds, the commissioner shall calculate the amount
48 that may be made available to eligible school administrative
49 units as follows.

2 A. For fiscal year 2005-06, the amount equals the product of
4 the per-pupil guarantee calculated pursuant to section 15676
 multiplied by the additional weight calculated pursuant to
 section 15675, subsection 3.

6 B. For fiscal year 2006-07 and each subsequent year, the
8 commissioner shall recalculate the amount by using the
10 amount calculated under paragraph A as a base and
 appropriate trends in the Consumer Price Index or other
 comparable index.

12 5. Review; approval. Beginning in fiscal year 2008-09, and
14 at least every 3 years thereafter, the commissioner, using
16 information provided by a statewide education policy research
18 institute, shall review the targeted amounts under this section
 and shall submit any recommended changes to the state board for
 approval.

20 **§15682. Regional adjustment**

22 The commissioner shall make a regional adjustment in the
24 total operating allocation for each school administrative unit
26 determined pursuant to section 15683. The regional adjustment
28 must be based on the regional differences in teacher salary costs
30 within labor market areas in the State, as computed by a
32 statewide education policy research institute, and must be
34 applied only to appropriate teacher salary and benefits costs as
 calculated under section 15678. Beginning in fiscal year
 2008-09, and at least every 3 years thereafter, the commissioner,
 using information provided by a statewide education policy
 research institute, shall review the regional adjustment amounts
 under this section and shall submit any recommended changes to
 the state board for approval.

36 **§15683. Total operating allocation**

38 For each school administrative unit, that unit's total
40 operating allocation is the base total set forth in subsection 1
 as adjusted in accordance with subsection 2.

42 1. Base total. The base total of a school administrative
 unit's total operating allocation is the sum of:

44 A. The product of the school administrative unit's
46 kindergarten to grade 8 per-pupil guarantee multiplied by
 the total of the kindergarten to grade 8 portions of the
 following pupil counts:

48 (1) The pupil count set forth in section 15674,
50 subsection 1, paragraph C;

2 (2) The additional weight for limited English
3 proficiency students calculated pursuant to section
4 15675, subsection 1; and

5 (3) The additional weight for economically
6 disadvantaged students calculated pursuant to section
7 15675, subsection 2;

8
9 B. The product of the school administrative unit's grade 9
10 to 12 per-pupil guarantee multiplied by the total of the
11 grade 9 to 12 portion of the following pupil counts:

12 (1) The pupil count set forth in section 15674,
13 subsection 1, paragraphs A, B and C;

14 (2) The additional weight for limited English
15 proficiency students calculated pursuant to section
16 15675, subsection 1; and

17 (3) The additional weight for economically
18 disadvantaged students calculated pursuant to section
19 15675, subsection 2;

20
21 C. If the school administrative unit is eligible for
22 targeted student assessment funds pursuant to section 15681,
23 subsection 1, the sum of:

24 (1) The product of the elementary school level and
25 middle school level per-pupil amount for targeted
26 student assessment funds calculated pursuant to section
27 15681, subsection 2 multiplied by the kindergarten to
28 grade 8 portion of the pupil count calculated pursuant
29 to section 15674, subsection 1, paragraph C,
30 subparagraph (1); and

31 (2) The product of the high school level per-pupil
32 amount for targeted student assessment funds calculated
33 pursuant to section 15681, subsection 2 multiplied by
34 the grade 9 to 12 portion of the pupil count calculated
35 pursuant to section 15674, subsection 1, paragraph C,
36 subparagraph (1);

37
38 D. If the school administrative unit is eligible for
39 targeted technology resource funds pursuant to section
40 15681, subsection 1, the sum of:

41 (1) The product of the elementary school level and
42 middle school level per-pupil amount for targeted
43 technology resource funds calculated pursuant to
44 section 15681, subsection 3 multiplied by the
45 grade 9 to 12 portion of the pupil count calculated pursuant to
46 section 15674, subsection 1, paragraph C, subparagraph (1);

kindergarten to grade 8 portion of the pupil count calculated pursuant to section 15674, subsection 1, paragraph C, subparagraph (1); and

(2) The product of the high school level per-pupil amount for targeted technology resource funds calculated pursuant of section 15681, subsection 3 multiplied by the grade 9 to 12 portion of the pupil count calculated pursuant to section 15674, subsection 1, paragraph C, subparagraph (1); and

E. If the school administrative unit is eligible for targeted kindergarten to grade 2 funds pursuant to section 15681, subsection 1, the product of the per-pupil guarantee multiplied by the additional weight for kindergarten to grade 2 calculated pursuant to section 15675, subsection 3.

2. Adjustments. The base total calculated pursuant to subsection 1 must be adjusted as follows.

A. The base total calculated pursuant to subsection 1 must be reduced by the amount of all funds received by the school administrative unit under Title I of the federal Elementary and Secondary Education Act of 1965, 20 United States Code, Section 6301 et seq. during the most recent fiscal year.

B. The amount calculated pursuant to paragraph A must be adjusted by the regional adjustment pursuant to section 15682.

C. The amount calculated pursuant to paragraph B must be multiplied by the essential programs and services transition percentage for the appropriate year in accordance with section 15671, subsection 7, paragraph A.

§15684. School administrative unit contributions to total operating allocation

1. School administrative unit's local share percentage. For each school administrative unit, the commissioner shall annually determine the unit's local share percentage of its total operating allocation.

A. Except as provided in paragraph B, the local share percentage of the total operating allocation is the product of:

(1) The school administrative unit's weighted relative property fiscal capacity, determined in accordance with section 15685; and

2 (2) A statewide adjustment factor to be established
3 annually by the commissioner.

4
5 B Notwithstanding paragraph A, the local share percentage
6 for a school administrative district or a community school
7 district is calculated as a weighted average of the local
8 share percentages of each member municipality as if each
9 member municipality were a separate school administrative
10 unit. The weight for each municipality is the proportion of
11 the district's subsidizable pupils who reside in the
12 municipality.

13
14 C. The local share percentage for a school administrative
15 unit in a school administrative district or a community
16 school district may not exceed 100%. If the local share
17 percentage calculation is performed for a municipality in
18 accordance with paragraph B, then the local share percentage
19 for the municipality may not exceed 100%.

20
21 2. School administrative unit; contribution. For each
22 school administrative unit, the commissioner shall annually
23 determine the school administrative unit's contribution in
24 accordance with the following.

25
26 A. The school administrative unit's local contribution to
27 the total operating allocation is the product of the amount
28 calculated pursuant to section 15683 multiplied by the
29 school administrative unit's local share percentage of the
30 total operating allocation calculated pursuant to subsection
31 1.

32
33 B. The school administrative unit's state contribution to
34 the total operating allocation is the amount calculated
35 pursuant to section 15683 less the school administrative
36 unit's local contribution to the total operating allocation
37 calculated pursuant to paragraph A.

38
39 **§15685. Weighted relative property fiscal capacity**

40
41 For each school administrative unit, the commissioner shall
42 annually determine the unit's weighted relative property fiscal
43 capacity. This determination is the result of the following
44 steps.

45
46 1. Fiscal capacity. The local per-pupil property fiscal
47 capacity divided by the statewide per-pupil property fiscal
48 capacity as computed by the commissioner is multiplied by a
49 property weight of 0.85.

50
51 2. Local median household income. The local median
52 household income is divided by the statewide average median

household income. The final result is multiplied by an income weight of 0.15. The department shall use local median household income data as estimated at the fiscal year 1997-98 level until final Federal Decennial Census figures are established for the year 2000. The fiscal year 1997-98 estimated census figures must be adjusted so that no municipality's census figure exceeds twice the state average percentage increase from fiscal year 1996-97 to fiscal year 1997-98.

3. Weighted relative property fiscal capacity. The results of subsection 1 and subsection 2 are added and the sum represents the weighted relative property fiscal capacity.

§15686. Transition adjustment

For each of the fiscal years described in section 15671, subsection 7, the commissioner shall establish a transition adjustment calculated to minimize the fiscal impact directly related to the phase-in of this Act. The amount of this adjustment must decline with each successive fiscal year, and the adjustments must end no later than fiscal year 2009-10.

§15687. Rules

The commissioner shall adopt rules to implement this Act. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. A-5. Review of data. By October 1, 2006, the Commissioner of Education, in consultation with the Maine Education Policy Research Institute, shall review data on limited English proficiency students, including the number of students in the State qualifying for limited English proficiency status and the costs attributable to English as a 2nd language programs. The commissioner shall submit the results of this review to the State Board of Education.

PART B

Sec. B-1. 5 MRSA §17154, sub-§6, ¶E, as repealed and replaced by PL 1995, c. 471, §2, is amended to read:

E. Notwithstanding this section, the employer retirement costs related to the retirement system applicable to those teachers whose funding is provided directly or through reimbursement from private or public grants must be paid by local school systems from those funds. "Public grants" does not include state or local funds provided to school

administrative units under Title 20-A, chapters 315 and, 606
and 606-B.

Sec. B-2. 20-A MRSA §15602, sub-§1, as amended by PL 1985, c.
505, §12, is further amended to read:

1. Contributions from General Fund. It is the intent of
the Legislature to provide at least 55% of the cost of the total
allocation from General Fund revenue sources or a percentage no
less than that provided in the year prior to the year of
allocation, whichever is greater.

~~The amount of the teacher recognition grants authorized in
section 13503-A which are paid or deemed eligible to be paid on
August 15, 1986, shall be added to the actual local operating
costs expended by local units in 1986-87. The minimum amount of
the cost of the total allocation from General Fund revenue
sources for 1988-89 shall be increased by the total amount
expended by the State in 1986-87 for teacher recognition grants
in accordance with section 13503-A and block grants in accordance
with section 13509. The resulting percentage shall be used to
define the minimum percentage contribution from General Fund
revenue sources in 1988-89 and subsequent years.~~

Sec. B-3. 20-A MRSA §15602, sub-§4, as enacted by PL 1989, c.
875, Pt. E, §27, is repealed.

Sec. B-4. 20-A MRSA §15602, sub-§5, as enacted by PL 1991, c.
528, Pt. I, §7 and affected by Pt. RRR and enacted by c. 591, Pt.
I, §7, is repealed.

Sec. B-5. 20-A MRSA §15602, sub-§6, as enacted by PL 1991, c.
625, §1 and affected by §5, is repealed.

Sec. B-6. 20-A MRSA §15602, sub-§7, as renumbered by RR 1991,
c. 2, §70, is repealed.

Sec. B-7. 20-A MRSA §15602, sub-§8, as enacted by PL 1993, c.
410, Pt. F, §5, is repealed.

Sec. B-8. 20-A MRSA §15602, sub-§9, as enacted by PL 1993, c.
684, §3, is repealed.

Sec. B-9. 20-A MRSA §15602, sub-§10, as enacted by PL 1995, c.
368, Pt. Y, §1, is repealed.

Sec. B-10. 20-A MRSA §15602, sub-§11, as enacted by PL 1997,
c. 469, §1, is repealed.

2 **Sec. B-11. 20-A MRSA §15602, sub-§12**, as enacted by PL 1997,
c. 643, Pt. D, §1, is repealed.

4 **Sec. B-12. 20-A MRSA §15602, sub-§13**, as enacted by PL 1999,
c. 401, Pt. GG, §1, is repealed.

6 **Sec. B-13. 20-A MRSA §15602, sub-§14**, as enacted by PL 1999,
8 c. 731, Pt. D, §1, is repealed.

10 **Sec. B-14. 20-A MRSA §15602, sub-§§15 and 15-A**, as enacted by
PL 2001, c. 358, Pt. U, §1, are repealed.

12 **Sec. B-15. 20-A MRSA §15602, sub-§16**, as enacted by PL 2001,
14 c. 559, Pt. D, §1, is repealed.

16 **Sec. B-16. 20-A MRSA §15603, sub-§28-A**, as enacted by PL 1999,
c. 401, Pt. JJ, §1, is repealed.

18 **Sec. B-17. 20-A MRSA §15612, sub-§1**, as enacted by PL 1983, c.
20 859, Pt. G, §§2 and 4, is repealed.

22 **Sec. B-18. 20-A MRSA §15612, sub-§5**, as amended by PL 1995, c.
24 303, §1, is repealed.

26 **Sec. B-19. 20-A MRSA §15612, sub-§6**, as amended by PL 1989, c.
554, §1, is repealed.

28 **Sec. B-20. 20-A MRSA §15612, sub-§8**, as enacted by PL 1983, c.
859, Pt. K, §§6 and 7, is repealed.

30 **Sec. B-21. 20-A MRSA §15612, sub-§12**, as amended by PL 1989,
32 c. 875, Pt. E, §31, is repealed.

34 **Sec. B-22. 20-A MRSA §15612, sub-§12-A**, as enacted by PL 1999,
c. 401, Pt. JJ, §2, is repealed.

36 **Sec. B-23. 20-A MRSA §15612, sub-§13**, as amended by PL 1999,
38 c. 401, Pt. JJ, §3, is further amended to read:

40 **13. Adjustment limitations.** The amounts of the adjustments
paid to school administrative units or municipalities in
42 subsections ~~1~~, 2, 4, 6, 7, 10, and 11, ~~12 and 12-A~~ are limited to
the amounts appropriated by the Legislature for these adjustments.

44 **Sec. B-24. 20-A MRSA §15612, sub-§14**, as enacted by PL 1991,
46 c. 625, §3 and affected by §5, is repealed.

48 **Sec. B-25. Revisor's review; cross-references.** The Revisor of
Statutes shall review the Maine Revised Statutes and include in
50 the errors and inconsistencies bill submitted to the Second

2 Regular Session of the 121st Legislature pursuant to Title 1,
3 section 94 any sections necessary to correct and update any
4 cross-references in the statutes to provisions of law repealed in
5 this Act.

6 SUMMARY

8 Part A of this bill repeals the School Finance Act of 1995
9 and establishes in its stead the Essential Programs and Services
10 Funding Act.

12 Specifically, Part A of this bill proposes to accomplish the
13 following.

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

20 2. It defines the elements of essential programs and
21 services in order to:

24 A. Determine the resources necessary for all students in
25 each school administrative unit;

26 B. Establish the methodology to calculate per-pupil
27 guarantees unique to each school administrative unit based
28 on each unit's personnel profile for years of experience and
29 education level;

32 C. Address providing additional resources for specialized
33 student populations;

34 D. Define the major cost components;

36 E. Provide for targeted funds;

38 F. Provide for an annual updating of the components; and

40 G. Establish that a review of the essential programs and
41 services components occurs every 3 years.

44 3. It provides for a transition adjustment to minimize the
45 fiscal impact directly related to the phase-in of this Act.

46 4. It incorporates the statutory language necessary to
47 maintain the current distribution method for operating allocation
48 that was established in the School Finance Act of 1995.
49
50

2 5. It establishes targets for a transition to an increased
state share percentage.

4 Part B of this bill makes technical changes and corrects
cross-references necessitated by Part A.