

MAINE STATE LEGISLATURE

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L.D. 1629

DATE: 6/13/03

(Filing No. H-588)

TAXATION

Minority

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

COMMITTEE AMENDMENT "B" to H.P. 1209, L.D. 1629,
"RESOLUTION, Proposing a Competing Measure under the Constitution of Maine To Create Municipal Service Districts To Reduce the Cost of Local Government, To Provide Property Tax Relief and To Increase Economic Competitiveness"

Amend the resolution by striking out the title and substituting the following:

'RESOLUTION, Proposing a Competing Measure under the Constitution of Maine To Create Regional Service Districts To Reduce the Cost of Local Government, To Provide Property Tax Relief and To Increase Economic Competitiveness'

Further amend the resolution by striking out Part A and Part B and inserting in their place the following:

PART A

Sec. A-1. 30-A MRSA c. 112 is enacted to read:

CHAPTER 112

REGIONAL SERVICE DISTRICTS

§2111. Purpose

The purpose of this chapter is to enhance the ability of municipalities to cooperate and consolidate on a basis of mutual advantage in the efficient and effective exercise of municipal obligations and home-rule authority pursuant to this Part through voluntary creation of and delegation to regional service districts or through other cooperative agreements that achieve

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2 similar cost savings, including, but not limited to, cooperative
3 agreements with county governments. The goal and results of
4 cooperation and consolidation are to achieve significant property
5 tax relief and to increase municipalities' ability to fund public
6 education.

7 **Sec. A-2. Legislation and review.** By January 2, 2004, the
8 Executive Department shall present legislation to the Joint
9 Standing Committee on State and Local Government to carry out the
10 purpose of the Maine Revised Statutes, Title 30-A, chapter 112.
11 The Joint Standing Committee on State and Local Government shall
12 review this legislation.

13 **PART B**

14 **Sec. B-1. 36 MRSA c. 105, sub-c. 1-A is enacted to read:**

15 **SUBCHAPTER 1-A**

16 **PROPERTY TAX CONTRIBUTION TO PUBLIC EDUCATION**

17 **§521. Definitions**

18 As used in this subchapter, unless the context otherwise
19 indicates, the following terms have the following meanings.

20 **1. Full value mill rate expectation.** "Full value mill rate
21 expectation" means the maximum property tax rate that may be
22 applied to the value of property for the purpose of funding
23 public education from kindergarten to grade 12.

24 **2. Funding public education from kindergarten to grade 12.**
25 "Funding public education from kindergarten to grade 12" means
26 the cost of funding essential programs and services as described
27 in Title 20-A, chapter 606-B.

28 **§522. Maximum mill rates established**

29 **1. Maximum full value mill rate expectation.**
30 Notwithstanding Title 20-A, chapter 606-B, with respect to the
31 assessment of any property taxes for property tax years beginning
32 on or after April 1, 2005, this section establishes the full
33 value mill rate expectations that may be applied to the value of
34 property for the purpose of funding public education from
35 kindergarten to grade 12. For a municipality that assesses
36 property at a percentage other than 100% of just value, the
37 maximum mill rate calculated under subsection 2 must be adjusted,
38 in the process of assessment and prior to commitment, to the mill
39 rate that generates the equivalent revenue that would be

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collected if the municipality were assessing property at 100% of just value.

2. Calculation of full value mill rate expectation. For property tax years beginning on or after April 1, 2005, the Commissioner of Education shall calculate the full value mill rate expectation that is required to fund the local share of funding public education from kindergarten to grade 12 according to the following schedule.

A. For the 2005 property tax year, the full value mill rate expectation is the amount necessary to result in a 51% local share in fiscal year 2005-06.

B. For the 2006 property tax year, the full value mill rate expectation is the amount necessary to result in a 49.5% local share in fiscal year 2006-07.

C. For the 2007 property tax year, the full value mill rate expectation is the amount necessary to result in a 48% local share in fiscal year 2007-08.

D. For the 2008 property tax year, the full value mill rate expectation is the amount necessary to result in a 46.5% local share in fiscal year 2008-09.

E. For the 2009 property tax year and subsequent years, the full value mill rate expectation is the amount necessary to result in a 45% local share in fiscal year 2009-10.

§523. Exceeding mill rate expectations; referendum process

The legislative body of a school administrative unit, as defined in Title 20-A, section 1, subsection 26, may adopt property tax rates that exceed the adjusted full value mill rate expectation established by section 522.

Sec. B-2. Basis for funding costs of education from kindergarten to grade 12. Notwithstanding any other provision of law, beginning in fiscal year 2005-06, funding public education from kindergarten to grade 12, as defined in the Maine Revised Statutes, Title 36, section 521, must be based on the cost of providing essential programs and services as described in the Maine Revised Statutes, Title 20-A, chapter 606-B.

Sec. B-3. Savings from school construction bond refinancing and unexpended balance. Notwithstanding any other provision of law, at the close of fiscal year 2003-04 and fiscal year 2004-05 the Commissioner of Education shall allocate any unexpended funds from General Purpose Aid for Local Schools,

including those funds resulting from the refinancing of school construction bonds, to the General Purpose Aid for Local Schools in subsequent years. These funds may not be expended in fiscal year 2003-04 or fiscal year 2004-05 but must be carried forward. These funds may be allotted in fiscal year 2005-06 by financial order upon the recommendation of the State Budget Officer and approval of the Governor.'

Further amend the resolution in Part C by striking out all of sections 1 to 14 and inserting in their place the following:

'Sec. C-1. 36 MRSA §662 is enacted to read:

§662. Business equipment

1. Eligible business equipment exempt. Eligible business equipment is exempt from all taxation under this Part, except chapters 111 and 112.

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

A. "BETR-expired property" means property that was eligible for property tax reimbursement under chapter 915, but is no longer eligible for such reimbursement due to the fact that reimbursements have been made for the entire length of time for which reimbursements were allowed under section 6652, subsection 1.

B. "Eligible business equipment" means qualified business property that, in the absence of this section, would first be subject to taxation under this Part after April 1, 2003 and BETR-expired property. "Eligible business equipment" includes, without limitation, repair parts, replacement parts, additions, accessions and accessories to other qualified business property that first became taxable under this Part on or before April 1, 2003 if the part, addition, accession or accessory would, in the absence of this section, first be subject to taxation under this Part after April 1, 2003. "Eligible business equipment" also includes inventory parts for qualified business property that, in the absence of this section, would first be subject to taxation under this Part after April 1, 2003.

"Eligible business equipment" does not include:

(1) Office furniture, including, without limitation, tables, chairs, desks, bookcases, filing cabinets and modular office partitions;

2 (2) Lamps and lighting fixtures; and

4 (3) Property owned or used by an excluded person.

6 C. "Excluded person" means:

8 (1) A public utility as defined in Title 35-A, section
10 102, subsection 13;

12 (2) A person that provides radio paging services as
14 defined in Title 35-A, section 102, subsection 15;

16 (3) A person that provides mobile telecommunications
18 services as defined in Title 35-A, section 102,
20 subsection 9-A;

22 (4) A cable television company as defined in Title
24 30-A, section 2001, subsection 2;

26 (5) A person that provides satellite-based direct
28 television broadcast services; or

30 (6) A person that provides multichannel, multipoint
32 television distribution services.

34 D. "Inventory parts" includes repair parts, replacement
36 parts, replacement equipment, additions, accessions and
38 accessories on hand but not in service and stocks or
40 inventories of repair parts, replacement parts, replacement
42 equipment, additions, accessions and accessories on hand but
44 not in service and other machinery and equipment on hand for
46 future use but not in service if acquired after April 1,
48 2003, regardless of when placed in service.

50 E. "Qualified business property" means tangible personal
 property that:

(1) Is used or held for use exclusively for a business
 purpose by the person in possession of it or, in the
 case of construction in progress or inventory parts, is
 intended to be used exclusively for a business purpose
 by the person who will possess that property; and

(2) Either:

(a) Was subject to an allowance for depreciation
 under the Code on April 1st of the property tax
 year for which a claim for exemption under
 subsection 4 is filed, or would have been subject

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to an allowance for depreciation under the Code as of that date but for the fact that the property has been fully depreciated; or

(b) In the case of construction in progress or inventory parts, would be subject under the Code to an allowance for depreciation when placed in service or would have been subject to an allowance for depreciation under the Code as of that date but for the fact that the property has been fully depreciated.

"Qualified business property" also includes all property that is affixed or attached to a building or other real estate if it is used primarily to further a particular trade or business activity taking place in that building or on that real estate. "Qualified business property" does not include components or attachments to a building if used primarily to serve the building as a building, regardless of the particular trade or activity taking place in or on the building. "Qualified business property" also does not include land improvements if used primarily to further the use of the land as land, regardless of the particular trade or business activities taking place in or on the land. In the case of construction in progress or inventory parts, the term "used" means intended to be used. "Qualified business property" also does not include any vehicle registered for on-road use on which a tax assessed pursuant to chapter 111 has been paid or any watercraft registered for use on state waters on which a tax assessed pursuant to chapter 112 has been paid.

3. Additional limitations. The exemptions provided pursuant to this section are limited as follows.

A. Exemption for certain energy facilities under this section is limited as follows.

(1) The exemption provided by this section does not apply to a natural gas pipeline, including pumping or compression stations, storage depots and appurtenant facilities used in the transportation, delivery or sale of natural gas but not including a pipeline that is less than a mile in length and is owned by a consumer of natural gas delivered through the pipeline.

(2) The exemption provided in this section does not apply to property used to produce or transmit energy primarily for sale. Energy is primarily for sale if during the immediately preceding property tax year 2/3

2 or more of the useful energy is directly or indirectly
3 sold and transmitted through the facilities of a
4 transmission and distribution utility.

5 (3) For purposes of this paragraph, unless the context
6 otherwise indicates, the following terms have the
7 following meanings.

8 (a) "Transmission and distribution utility" has
9 the same meaning as defined in Title 35-A, section
10 102, subsection 20-B.

11 (b) "Useful energy" is energy in any form that
12 does not include waste heat, efficiency losses,
13 line losses or other energy dissipation.

14 B. Pollution control facilities that are entitled to
15 exemption pursuant to section 656, subsection 1, paragraph E
16 are not entitled to an exemption under this section, except
17 that such property is entitled to exemption under this
18 section if:

19 (1) The property is entitled to an exemption under
20 section 656, subsection 1, paragraph E but has not yet
21 been certified for exemption under that paragraph;

22 (2) The property has been placed in service after the
23 December 1st immediately preceding April 1st of the tax
24 year for which the exemption is sought but prior to
25 April 1st of the property tax year for which the
26 exemption is sought; and

27 (3) The taxpayer has submitted the required
28 application for certification to the Commissioner of
29 Environmental Protection prior to April 1st.

30 The exemption under this section continues for property that
31 meets the requirements of subparagraphs (1), (2) and (3)
32 only until the certification for exemption under section
33 656, subsection 1, paragraph E has been granted. If the
34 assessor denies an exemption on the ground that the property
35 in question is entitled to exemption under section 656,
36 subsection 1, paragraph E and the taxpayer appeals the
37 denial, the assessor shall, at the taxpayer's request, allow
38 the taxpayer up to one year to obtain a statement from the
39 Commissioner of Environmental Protection that the property
40 at issue is not exempt under section 656, subsection 1,
41 paragraph E. If the taxpayer timely produces such a
42 statement or otherwise demonstrates that the property is not
43 exempt under section 656, subsection 1, paragraph E, the
44 assessor shall allow the exemption under this section.

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2 4. Reporting. On or before June 1st of each year, a
4 taxpayer claiming an exemption under this section shall file a
6 report with the assessor of the taxing jurisdiction in which the
8 property would otherwise be subject to taxation. The report must
10 identify the property for which exemption is claimed and must be
12 made on a form prescribed by the State Tax Assessor or substitute
 form approved by the State Tax Assessor. The State Tax Assessor
 shall furnish copies of the form to each municipality in the
 State and the form must be made available to taxpayers prior to
 April 1st. The assessor may require the taxpayer to sign the
 form and make oath to its truth.

14 The assessor may request in writing that taxpayers answer in
16 writing all reasonable inquiries as to the nature, situation and
18 value of the property for which exemption is requested. A
 taxpayer has 60 days from receipt of such inquiries to respond.

20 The assessor may at any time grant an extension of the time
22 periods for action provided for in this subsection. Upon written
24 request, a taxpayer is entitled to a 30-day extension of time as
 a matter of right and additional extensions for good cause, it
 being the intent that extensions be granted liberally to avoid
 forfeiture of the exemption.

26 Failure to comply with the provisions of this subsection on a
28 timely basis, including any extensions of time, results in a
30 penalty equal to the lesser of \$5,000 or 10% of the taxes that
32 would be imposed on the exempt property in the absence of the
34 exemption as long as the taxpayer complies with the provisions of
36 this subsection before October 1st following the April 1st
38 exemption date. The penalty amount is treated as property taxes
40 and must be paid to the municipality as such. The penalty may be
 waived by the assessor for good cause. A failure to comply with
 the provisions of this subsection by October 1st following the
 April 1st exemption date disqualifies the property involved from
 exemption for that tax year. All notices and requests provided
 pursuant to this subsection must conspicuously state the
 consequences of the taxpayer's failure to respond to the notice
 or request in a timely manner.

42 If an exemption has already been granted and the State Tax
44 Assessor then determines that the property is not entitled to
46 exemption, a supplemental assessment must be made within 3 years
48 of the original assessment date with respect to the property in
 compliance with section 713, without regard to the limitations
 contained in that section regarding the justification necessary
 for a supplemental assessment.

2 5. Local review. Reports properly filed pursuant to
3 subsection 4 must be reviewed by the assessor with whom they are
4 filed. A taxing jurisdiction is not entitled to state
5 reimbursement pursuant to section 661 with respect to property
6 entitled to exemption under this section unless the assessor
7 certifies to the State Tax Assessor that the property qualifies
8 for such exemption. The local taxing jurisdiction shall file an
9 annual certification for business equipment exemptions by
10 November 1st following the April 1st exemption date or 30 days
11 after commitment of taxes, whichever is later, but in no event
12 later than 120 days following November 1st following the April
13 1st exemption date. All exemptions certified by the local
14 taxing jurisdiction must be applied in calculating the taxable
15 valuation of property in that jurisdiction, unless the
16 jurisdiction determines that the property is not entitled to
17 exemption and provides a corrected certification to the State Tax
18 Assessor.

19 6. State valuation. The State Tax Assessor shall annually
20 determine the value of property that is exempt pursuant to this
21 section based upon the business equipment exemption
22 certifications filed by local taxing jurisdictions under
23 subsection 5. The State Tax Assessor shall use the valuation of
24 exempt property so determined to compute the reimbursement
25 required by section 661 arising from property tax exemptions.
26 The State Tax Assessor shall establish a uniform methodology to
27 be used in determining the just value of certified exempt
28 property. The valuations of certified exempt property as
29 determined by the State Tax Assessor must be reported to local
30 taxing jurisdictions no later than July 1st following receipt of
31 the certified reports. The valuations determined may be appealed
32 in the same fashion as provided for the state valuation
33 determined in accordance with section 305, subsection 1, with the
34 exception that the State Board of Property Tax Review, as
35 established by Title 5, section 12004-B, subsection 6, must
36 render its decision no later than November 15th following the
37 date on which the appeal is taken. The board must certify its
38 decisions on these exemption appeals to the State Tax Assessor by
39 December 1st of the year following the application of the
40 exemption. The valuations of exempt property must be filed with
41 the Secretary of State by December 10th following the year of
42 exemption.

43 7. State review. The State Tax Assessor may review
44 exemption claims made under this section and may disqualify any
45 exemption certified under subsection 5 within a 2-year period
46 from the date of the local tax jurisdiction certification. In a
47 case in which a local taxing jurisdiction has already received
48 reimbursement, the excess reimbursement may be offset against the
49 next reimbursement payment. A local taxing jurisdiction
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aggrieved by a decision of the State Tax Assessor to disqualify a certified exemption after the exemption amount has been filed with the Secretary of State may seek review as provided by section 151. The assessor shall send notice to the taxpayer, in the manner and of the type provided for in section 151 in the case of a reconsideration decision, of any decision to disqualify an exemption. The taxpayer may seek reconsideration pursuant to section 151 of the State Tax Assessor's decision to disqualify any exemption claimed by the taxpayer.

8. Legislative findings. The Legislature finds that encouragement of the growth of capital investment in this State is in the public interest and promotes the general welfare of the people of the State. The Legislature further finds that the high cost of owning qualified business property in this State is a disincentive to the growth of capital investment in this State. The Legislature further finds that the tax exemption set forth in this section is a reasonable means of overcoming this disincentive and will encourage capital investment in this State.'

Further amend the resolution in Part C by striking out all of section 17.

Further amend the resolution by striking out all of Part D.

Further amend the resolution in Part E in section 2 by striking out all of the question (page 50, lines 21 to 23 in L.D.) and inserting in its place the following:

' "Do you want the State to pay 55% of the costs of public education without raising taxes?" '

Further amend the resolution in Part E by inserting after section 2 the following:

'Sec. E-3. Transfer of funds. Notwithstanding any other provision of law, the State Controller shall transfer \$254,286 from the General Purpose Aid for Local Schools account in the Department of Education to the General Fund unappropriated surplus no later than June 30, 2005.

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

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Revenue Services - Bureau of 0002

Initiative: Provides funds for 3 Claims Administration positions and related costs associated with property valuation and property tax exemption reimbursement.

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COMMITTEE AMENDMENT "B" to H.P. 1209, L.D. 1629

2	General Fund	2003-04	2004-05
	Positions - Legislative Count	(0.000)	(3.000)
4	Personal Services	\$0	\$165,786
	All Other	0	88,500
6			
	General Fund Total	<u>\$0</u>	<u>\$254,286'</u>

8 Further amend the resolution by relettering or renumbering
10 any nonconsecutive Part letter or section number to read
12 consecutively.

14 **SUMMARY**

16 This amendment strikes Part A and Part B of the resolution,
18 which provided the details of a municipal service district
20 concept, and in their place expresses the legislative purpose for
22 the adoption of regional service districts and directs the
Executive Department to submit legislation by January 2, 2004 to
carry out this purpose. The legislation will be reviewed by the
Joint Standing Committee on State and Local Government.

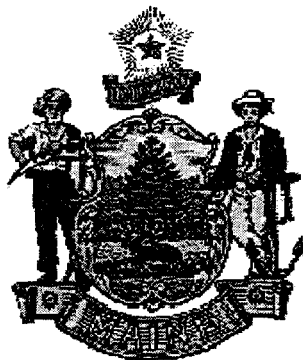
24 This amendment provides new language establishing the
26 essential programs and services model for funding education as
the basis for the calculation of a full value mill rate
28 expectation identifying the state and local share of the cost of
providing essential programs and services beginning in fiscal
30 year 2005-06. The state share increases from 49% in fiscal year
2005-06 to 55% in fiscal year 2009-10. Funds to assist in
increasing the state share of education funding would be obtained
32 from refinancing school construction debt and from General
Purpose Aid to Local Schools carry-over. The amendment also
34 makes minor miscellaneous changes to the provisions establishing
a property tax exemption for certain business property.

36 The amendment also changes the question that would be
38 presented to the voters for the competing measure.

40 **FISCAL NOTE REQUIRED**
42 (See attached)

COMMITTEE AMENDMENT

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

**LD 1629**

**RESOLUTION, Proposing a Competing Measure under the Constitution of Maine
to Create Municipal Service Districts to Reduce the Cost of Local Government, to
Provide Property Tax Relief and to Increase Economic Competitiveness**

LR 2165(03)

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Taxation

Fiscal Note Required: Yes

Minority Report

Fiscal Note

	2003-04	2004-05	Projections 2005-06	Projections 2006-07
Net Cost (Savings)				
General Fund	\$0	\$0	(\$20,651,208)	\$14,716,289
Appropriations/Allocations				
General Fund	\$0	\$254,286	(\$20,651,208)	\$14,716,289
Transfers				
General Fund	\$0	\$254,286	\$0	\$0

Referendum Costs	Month/Year	Election Type	Question	Length
	Nov-03	General	Referendum	Lengthy

The Secretary of State's budget includes sufficient funds to accommodate one ballot of average length for the general election in November 2003. If the number or size of the referendum questions increases the ballot length, an additional appropriation of \$8,000 or more may be required.

Fiscal Detail and Notes

The implementation of this bill is contingent upon approval by the voters. If approved by the voters, this bill has the following impact.

	2003-04	2004-05	Projections 2005-06	Projections 2006-07
General Fund Summary				
Business Equipment Tax Reimbursement	\$0	\$0	(\$8,763,692)	(\$21,064,966)
Municipal Property Tax Exemption Reimb.	\$0	\$0	\$5,842,000	\$12,095,000
Maine Revenue Services Administrative Costs	\$0	\$284,286	(\$712,189)	(\$747,798)
Net Approp\Deapprop to fund EPS	\$0	\$0	(\$17,017,327)	\$24,434,053
Transfer from Dept. of Educ. to General Fund	\$0	(\$284,286)	\$0	\$0
Net General Fund Cost (Savings)	\$0	\$0	(\$20,651,208)	\$14,716,289

Limiting Business Equipment Tax Reimbursement (BETR) to property placed in service on or before April 1, 2003 will result in General Fund savings beginning in fiscal year 2005-06. Establishing a property tax exemption for certain property placed in service after April 1, 2003 will result in General Fund costs beginning in fiscal year 2005-06 due to the 50% reimbursement requirement.

This bill also includes General Fund appropriations of \$254,286 in fiscal year 2004-05 for Maine Revenue Services for the additional costs associated with administering these provisions and a transfer from the Department of Education to offset these costs in fiscal year 2004-05.

This bill provides for a new method of determining the state and local share of funding the cost of K-12 public education beginning in fiscal year 2005-06. This bill includes the Essential and Programs and Services model, as proposed in LD 1623, An Act to Implement School Funding Based on Essential Programs and Services, as the basis for determining the total cost of K-12 public education. However, this bill differs from LD 1623 in that it requires the State's share to increase to 55% by fiscal year 2009-10 versus the 50% requirement in LD 1623. This bill provides for the calculation of a maximum local mill rate expectation to be used to determine the state and local share of the cost of funding K-12 education. The Department of Education estimates the maximum local mill rate to be 8.83 mills in fiscal year 2005-06.

This bill also requires the Department of Education to reserve any unexpended funds in the General Purpose Aid for Local Schools program in fiscal years 2003-04 and 2004-05 and any savings from the refinancing of school construction bonds and use those funds to partially offset the cost of increasing the State's contribution of funding the cost of K-12 public education beginning in fiscal year 2005-06. The Department of Education estimates the savings to be \$6,100,000 through fiscal year 2004-05.

The following table provides estimates for the total State and Local Operating cost of funding education based on the Essential Programs and Services model and compares the total State and Local cost of funding K-12 education based on the EPS model, adjusted for the transition percentage, with the total State and Local cost of funding education based on the current model. The table also provides a comparison of the General Fund appropriations that are estimated to be needed to fund the state's share of the cost of funding K-12 education based on the State's contribution reaching 55% in fiscal year 2009-10.

**State and Local Cost to Fund K-12 Public Education
Essential Programs and Services vs. Current Model**

	Base Year		Projections	Projections
	<u>2003-04*</u>	<u>2004-05*</u>	<u>2005-06</u>	<u>2006-07</u>
Total State & Local Operating Cost allocation based on EPS model (100%)	\$ 1,256,951,694	\$ 1,260,260,954	\$ 1,270,125,664	\$ 1,285,714,652
EPS Transition Percentage	80.82%	82.00%	84.00%	88.00%
Adjusted Total Operating Allocation based on EPS model	\$ 1,015,868,359	\$ 1,033,413,982	\$ 1,066,905,558	\$ 1,131,428,894
 Total State & Local cost based on EPS funding model (includes program costs, debt service and adjustments)	 \$ 1,467,457,416	 \$ 1,518,173,106	 \$ 1,537,199,970	 \$ 1,618,879,589

Total State & Local cost based on current funding formula (includes program costs, debt service and adjustments)	\$ 1,467,408,432	\$ 1,503,862,194	\$ 1,543,887,175	\$ 1,589,697,612
Net Increase (Decrease) in Allocation	\$ 48,984	\$ 14,310,912	\$ (6,687,205)	\$ 29,181,977
State Share Targets to fund K-12 education based on EPS model	49.89%	47.81%	49.00%	50.50%
Estimated General Fund appropriation needed to fund K-12 education based on EPS model			\$ 753,227,985	\$ 817,534,192
Estimated General Fund appropriation needed to fund K-12 education based on current funding model (assumes 6% growth per year)			\$ 770,245,312	\$ 793,100,139
Net General Fund Appropriation (Deappropriation) required to fund EPS model vs. current funding formula			\$ (17,017,327)	\$ 24,434,053

* No adjustment in fiscal year 2003-04 and fiscal year 2004-05