

MAINE STATE LEGISLATURE

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DATE: 4/26/05

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LABOR
MINORITY

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
122ND LEGISLATURE
FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" to H.P. 368, L.D. 493, Bill, "An Act To Require That All Public School Employees Be Paid a Livable Wage Rate"

Amend the bill by inserting after section 1 the following:

'Sec. 2. 20-A MRSA §15671, sub-§8 is enacted to read:

8. Full state funding for livable wage rate. In addition to the state contribution to the cost of the components of essential programs and services required under this chapter, the State shall provide full funding for the additional expenditures necessary to augment the pay of school employees pursuant to the requirement that school employees be paid a livable wage under section 1001, subsection 19.'

Further amend the bill by inserting after section 3 the following:

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

EDUCATION, DEPARTMENT OF

General Purpose Aid for Local Schools 0308

Initiative: Provides funds for the additional costs of raising school employees' rates of pay to the livable wage rate effective October 1, 2005.

GENERAL FUND	2005-06	2006-07
All Other	\$8,927,170	\$12,105,243
GENERAL FUND TOTAL	\$8,927,170	\$12,105,243'

COMMITTEE AMENDMENT

R. 6/8

COMMITTEE AMENDMENT "A" to H.P. 368, L.D. 493

2 Further amend the bill by relettering or renumbering any
nonconsecutive Part letter or section number to read
4 consecutively.

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SUMMARY

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10 This amendment, which is the minority report of the
committee, requires the State to fully fund the additional costs
of raising school employees' rates of pay to the livable wage
12 rate required by the bill.

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FISCAL NOTE REQUIRED
(See attached)

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COMMITTEE AMENDMENT



Approved: 04/10/05 *MAC*

122nd MAINE LEGISLATURE

LD 493

LR 1266(02)

An Act To Require That All Public School Employees Be Paid a Livable Wage Rate

Fiscal Note for Bill as Amended by Committee Amendment "A"

Committee: Labor

Fiscal Note Required: Yes

Fiscal Note

	2005-06	2006-07	Projections 2007-08	Projections 2008-09
Net Cost (Savings)				
General Fund	\$8,927,170	\$12,105,243	\$12,335,242	\$12,594,283
Appropriations/Allocations				
General Fund	\$8,927,170	\$12,105,243	\$12,335,242	\$12,594,283

Fiscal Detail and Notes

This bill includes General Fund appropriations of \$8,927,170 in fiscal year 2005-06 and \$12,105,243 in fiscal year to the Department of Education for the costs associated with the State fully funding the additional costs of raising school employees' rates of pay to the liveable wage beginning in fiscal year 2005-06. Because projections for the Consumer Price Index - All Urban Consumers all items index for the Northeast Region is not available, this fiscal estimate utilized growth projections of the CPI-U for the United States.

Because no information was available from the Department of Education to calculate the fiscal impact of this legislation, the Office of Fiscal and Program Review relied on estimates provided by the Maine Education Association (MEA) to determine the fiscal year 2005-06 cost. MEA utilized a database of public school employees employed during the 2004-2005 school year, that it had received from the Department of Education for use in a different study, that contained information on 39,035 school employees in Maine including annual earnings, number of hours worked per day and number of days worked per year. MEA identified approximately 6,161 school personnel whose hourly rate (calculated by dividing annual earnings by annual hours worked) was determined to be below the liveable wage rate of \$11.41 per hour for the 2004-2005 school year. For each of those 6,161 employees, MEA calculated the difference between the actual wage rate paid the the employee and the liveable wage rate and then multiplied the difference by the number of annual hours worked by that employee.

From this analysis, the total cost of this measure was determined to be \$11,646,667 had this legislation been in effect for the 2004-2005 school year. Since this legislation is not an emergency, the effective date is assumed to be October 1, 2005.