

MAINE STATE LEGISLATURE

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L.D. 1953

DATE: 3-16-06

(Filing No. S-495)

EDUCATION AND CULTURAL AFFAIRS

Reported by: Majority

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STATE OF MAINE
SENATE
122ND LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 750, L.D. 1953, Bill, "An Act Regarding the Sharing of Costs in Certain School Districts"

Amend the bill in section 1 in subsection 1-A in the 3rd line (page 1, line 41 in L.D.) by striking out the following: "2006-07" and inserting in its place the following: '2007-08'

Further amend the bill by inserting after section 1 the following:

'Sec. 2. Transition adjustments. The following transition adjustments apply to eligible school administrative districts and community school districts.

1. For fiscal year 2006-07, eligible school administrative districts and community school districts must receive transition adjustments to the member municipalities' local contributions and the districts' state contributions.

A. A school administrative district or community school district is eligible for these adjustments if it meets the following eligibility criteria.

(1) One or more member municipalities, but not all the district's member municipalities, have a local contribution that is below the mill rate expectation established pursuant to the Maine Revised Statutes, Title 20-A, section 15671-A for fiscal year 2006-07.

COMMITTEE AMENDMENT "A" to S.P. 750, L.D. 1953

2 (2) A member municipality's local contribution
pursuant to Title 20-A, section 15688 is 5% greater
4 than that municipality's local share would have been
under its existing local cost-sharing formula.

6 B. A school administrative district or community school
district that meets the eligibility criteria in paragraph A
8 must receive a transition adjustment to the state
contribution equal to the following.

10 (1) For each municipality in the district that meets
12 the eligibility criteria in paragraph A, the sum of
each municipality's special education allocation as
14 determined in paragraph D multiplied by 0.35.

16 C. A school administrative district or community school
district that meets the eligibility criteria in paragraph A
18 must have its local contribution adjusted as follows.

20 (1) For each municipality in the district that meets
the eligibility criteria in paragraph A, the
22 municipality's local contribution as determined
pursuant to Title 20-A, section 15688 must be reduced
24 by an amount equal to the municipality's special
education allocation as determined in paragraph D
26 multiplied by 0.35.

28 D. Each member municipality's special education allocation
is the special education allocation pursuant to Title 20-A,
30 section 15681-A, subsection 2 for the district multiplied by
the percentage of calendar year resident pupils in each
32 municipality.

34 This section is repealed June 30, 2007.

36 **Sec. 3. Appropriations and allocations.** The following
appropriations and allocations are made.

38 **EDUCATION, DEPARTMENT OF**

40 **General Purpose Aid for Local Schools 0308**

42 Initiative: Appropriates funds for the costs associated with
44 providing an adjustment to the state share of the total
allocation for school administrative districts and community
46 school districts that have member municipalities with local
contributions that are below the maximum mill rate expectation
48 but are adversely impacted by the established cost-sharing
mechanism.

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COMMITTEE AMENDMENT "A" to S.P. 750, L.D. 1953

	2005-06	2006-07
2 GENERAL FUND		
All Other	\$0	\$419,000
4 GENERAL FUND TOTAL	<u>\$0</u>	<u>\$419,000'</u>

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SUMMARY

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This amendment is the majority report of the Joint Standing Committee on Education and Cultural Affairs. The amendment retains the provision contained in the bill that recognizes the special education costs of certain member municipalities that are determined to be minimum state allocation receivers pursuant to the Maine Revised Statutes, Title 20-A, section 15689, subsection 1, but delays the implementation of the adjustment proposed in the bill until fiscal year 2007-08.

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The amendment also extends and modifies the adjustment provided by Private and Special Law 2005, chapter 23, section 1 for fiscal year 2005-06 to fiscal year 2006-07 for certain school administrative districts and community school districts that have member municipalities with local contributions that are below the maximum mill rate expectation but that are adversely affected as a result of the cost-sharing mechanism established pursuant to Title 20-A, section 15688. The amendment modifies the adjustment in fiscal year 2006-07 to recognize 35% of the special education costs of eligible school districts as compared to 25% of the special education costs that were recognized by the adjustment provided in fiscal year 2005-06.

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FISCAL NOTE REQUIRED
(See attached)

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122nd MAINE LEGISLATURE

LD 1953

LR 2657(02)

An Act Regarding the Sharing of Costs in Certain School Districts

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

Committee: Education and Cultural Affairs

Fiscal Note Required: Yes

Majority Report

Fiscal Note

	2005-06	2006-07	Projections 2007-08	Projections 2008-09
Net Cost (Savings)				
General Fund	\$0	\$419,000	\$1,539,019	\$1,598,386
Appropriations/Allocations				
General Fund	\$0	\$419,000	\$1,539,019	\$1,598,386

Fiscal Detail and Notes

The General Purpose Aid for Local Schools program within the Department of Education will require an additional General Fund appropriation of \$419,000 in fiscal year 2006-07 for the cost associated with providing an adjustment to the State share of the total allocation for school administrative districts and community school districts that have member municipalities with local contributions that are below the maximum mill rate expectation but are adversely impacted by the established cost-sharing mechanism.

This legislation is expected to increase the total cost of Essential Programs and Services by \$2,827,000 and \$2,906,156 in fiscal years 2007-08 and 2008-09, respectively. The impact to the State is estimated to be \$1,539,019 in fiscal year 2007-08 and \$1,598,386 in fiscal year 2008-09. The increase in the local share is anticipated to be \$1,287,981 in fiscal year 2007-08 and \$1,307,770 in fiscal year 2008-09. The impact to individual local school administrative units can not be determined at this time.