

MAINE STATE LEGISLATURE

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SMC
R. of S.

L.D. 139

Date: 6/6/11

Minority

(Filing No. H-549)

EDUCATION AND CULTURAL AFFAIRS

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
125TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "B" to H.P. 121, L.D. 139, Bill, "An Act To Eliminate the Penalty for Schools That Did Not Reorganize"

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

'An Act To Reduce the Amount of the Penalty for Schools That Did Not Reorganize'

Amend the bill by striking out everything after the title and before the summary and inserting the following:

'Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the State has school districts that have exhausted all reasonable alternatives for consolidation; and

Whereas, these school districts are being penalized by the State for not complying with the consolidation laws; and

Whereas, the State has failed to comply with the requirements in the Essential Programs and Services Funding Act that the State fund at least 55% of the total cost of funding public education from kindergarten to grade 12 by fiscal year 2008-09; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

Sec. 1. 20-A MRSA §15696, as amended by PL 2009, c. 455, §1, is further amended to read:

COMMITTEE AMENDMENT

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§15696. Penalties for nonconforming school administrative units

1. Authorized adjustments. Notwithstanding any other provision of this Title, the following adjustments to the calculation of subsidy under chapter 606-B are required beginning July 1, ~~2010~~ 2011 for a school administrative unit that is not a conforming school administrative unit:

- A. The school administrative unit is eligible for only 50% of the minimum state allocation under section 15689, subsection 1;
- B. The school administrative unit's total cost of education is reduced by adjusting the cost component for system administration under section 15680, subsection 1, paragraph A by half;
- C. The school administrative unit is not eligible for a transition adjustment under section 15686 or any comparable year-over-year transition amount;
- D. The school administrative unit receives less favorable consideration for approval and funding for school construction pursuant to rules of the state board; and
- E. The school administrative unit's full-value education mill rate pursuant to section 15671-A is increased by 2% for the purpose of calculating the school administrative unit's required contribution to meet the local share of education costs established pursuant to section 15688, subsection 3-A.

2. Reduction of penalties. Beginning with fiscal year 2011-12 and each succeeding fiscal year, if the state share of the total cost of funding public education from kindergarten to grade 12, as described in section 15671, is less than 55% for that fiscal year, the penalties established under subsection 1 for a school administrative unit that is not a conforming school administrative unit must be reduced by an amount equal to the difference between the state subsidy that the school administrative unit would have received if the state share was 55% of the total cost of funding public education from kindergarten to grade 12 and the amount of state subsidy that the school administrative unit actually received for that fiscal year. The amount of the reduction in penalties must be reimbursed to the school administrative unit in the next fiscal year.

Emergency clause. In view of the emergency cited in the preamble, this legislation takes effect when approved.'

SUMMARY

This amendment is the minority report of the Joint Standing Committee on Education and Cultural Affairs. The amendment changes the title and replaces the bill to provide that, beginning in fiscal year 2011-12, the penalties established under the Maine Revised Statutes, Title 20-A, section 15696 that may be assessed to a school administrative unit that is a nonconforming school administrative unit with regard to the school district reorganization laws must be reduced if the state share of the total cost of funding public education from kindergarten to grade 12, as described by the Essential Programs and Services Funding Act, is less than 55% for that fiscal year. The amendment also provides that the penalties for a nonconforming school administrative unit must be reduced by an amount equal to the difference between the state subsidy that the school administrative unit would have received if the state share was 55% of the total cost of funding public

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1 education from kindergarten to grade 12 and the amount of state subsidy that the school
2 administrative unit actually received for that fiscal year. Finally, the amendment provides
3 that the amount of the reduction in penalties must be reimbursed to the school
4 administrative unit in the next fiscal year.

5 The amendment adds an emergency preamble and an emergency clause.

FISCAL NOTE REQUIRED
(See Attached)

COMMITTEE AMENDMENT



Approved: 06/04/11 *MAC*

125th MAINE LEGISLATURE

LD 139

LR 128(03)

An Act To Eliminate the Penalty for Schools That Did Not Reorganize

Fiscal Note for Bill as Amended by Committee Amendment "B"
Committee: Education and Cultural Affairs

Fiscal Note Required: Yes

Fiscal Note

No state fiscal impact

Fiscal Detail and Notes

This legislation will not impact the total cost of K-12 public education or the state's share of that cost. This legislation will result in a redistribution of approximately \$2.9 million in state subsidy beginning in fiscal year 2012-13 with those school administrative units who complied with the laws governing school administrative unit reorganization receiving less subsidy than they would have had this provision not been in place and non-conforming school administrative units receiving more. The impact to individual school administrative units can not be determined at this time.