MAINE STATE LEGISLATURE

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125th MAINE LEGISLATURE

FIRST REGULAR SESSION-2011

Legislative Document

No. 1017

H.P. 753

House of Representatives, March 10, 2011

An Act To Improve the Essential Programs and Services Funding Model by Providing for a Cost of Housing Adjustment

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

HEATHER J.R. PRIEST Clerk

Presented by Representative LOVEJOY of Portland. Cosponsored by Senator BLISS of Cumberland and

Representatives: CORNELL du HOUX of Brunswick, KRUGER of Thomaston,

MacDONALD of Boothbay, NELSON of Falmouth, PILON of Saco, Senators: ALFOND of

Cumberland, COURTNEY of York.

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

- **Sec. 1. 20-A MRSA §15676, sub-§1,** as amended by PL 2005, c. 2, Pt. D, §39 and affected by §§72 and 74 and c. 12, Pt. WW, §18, is further amended to read:
- 1. Teaching staff costs. The salary and benefit costs for school level teaching staff that are necessary to carry out this Act, calculated in accordance with section 15678, adjusted by the regional adjustment under section 15682 15682-A and reduced by the amount of funds received by the school administrative unit during the most recent fiscal year under Title 1 of the federal Elementary and Secondary Act of 1965, 20 United States Code, Section 6301 et seq.;
- **Sec. 2. 20-A MRSA §15676, sub-§2,** as amended by PL 2005, c. 2, Pt. D, §39 and affected by §§72 and 74 and c. 12, Pt. WW, §18, is further amended to read:
 - **2. Other staff costs.** The salary and benefit costs for school-level school level staff who are not teachers, but including substitute teachers, that are necessary to carry out this Act, calculated in accordance with section 15679, adjusted by the regional adjustment under section 15682 15682-A and reduced by the amount of funds received by the school administrative unit during the most recent fiscal year under Title 1 of the federal Elementary and Secondary Act of 1965, 20 United States Code, Section 6301 et seq.; and
- **Sec. 3. 20-A MRSA §15682,** as amended by PL 2009, c. 213, Pt. C, §6, is repealed.
 - Sec. 4. 20-A MRSA §15682-A is enacted to read:

§15682-A. Regional adjustment beginning in fiscal year 2013-14

- Beginning in fiscal year 2013-14, the commissioner shall make a regional adjustment in the total operating allocation for each school administrative unit determined pursuant to section 15683. The regional adjustment must be based on the regional differences in the cost of housing within each county in the State, as computed by a statewide education policy research institute, and must be applied only to appropriate teacher salary and benefits costs as calculated under section 15678 and salary and benefit costs of other school level staff who are not teachers as calculated under section 15679.
- **Sec. 5. Transition plan.** The Commissioner of Education, in conjunction with the Maine Education Policy Research Institute, shall prepare a transition plan that addresses the development of the regional adjustment that is based on a cost of housing factor pursuant to the Maine Revised Statutes, Title 20-A, section 15682-A. In preparing this transition plan, the Commissioner of Education and the Maine Education Policy Research Institute shall:
- 1. Conduct a review of the best practices in other states and jurisdictions that include the cost of housing as a factor in determining regional costs for providing public education;

- 2. Design a method that most accurately reflects the differences in the cost of housing, including consideration of median home prices and other relevant costs, for teachers who are employed in school administrative units that are located in each county in the State:
- 3. Consult with the Maine State Housing Authority, an association of state realtors, the Executive Department, State Planning Office and other organizations to determine the availability of valid and reliable data on the cost of housing in counties in the State, as well as the procedures necessary to review and update the cost of housing factor on an annual basis;
- 4. Recommend an implementation plan for the regional adjustment based on the cost of housing factor that provides that:
 - A. The statewide allocation of state subsidies provided under the regional adjustment based on the cost of housing factor in fiscal year 2013-14 is reasonably consistent with the regional adjustment based on costs of teacher salary and benefits pursuant to Title 20-A, section 15682; and
 - B. In fiscal year 2014-15 and in subsequent fiscal years, the statewide allocation of state subsidies provided under the regional adjustment based on the cost of housing factor gradually reflects the differences in teacher salaries and in the cost of housing that teachers face when they accept positions to teach in schools located in the various counties of the State; and
- 5. Propose any necessary changes to the regional adjustment that is based on a cost of housing factor and make any additional recommendations on related cost components contained in the Essential Programs and Services Funding Act.
- **Sec. 6. Report.** No later than January 3, 2012, the Commissioner of Education and the Maine Education Policy Research Institute shall submit a report that includes their findings and recommendations under section 5, including any suggested legislation, to the Joint Standing Committee on Education and Cultural Affairs. The Joint Standing Committee on Education and Cultural Affairs may submit a bill to the Second Regular Session of the 125th Legislature related to the policy issues addressed in that report.
- **Sec. 7. Effective date.** Those sections of this Act that repeal the Maine Revised Statutes, Title 20-A, section 15682, enact Title 20-A, section 15682-A and amend Title 20-A, section 15676, subsections 1 and 2 take effect July 1, 2013.

33 SUMMARY

This bill requires that, beginning in fiscal year 2013-14, the regional adjustment to the salary and benefits costs of teachers and other school personnel be based on the cost of housing in the counties in the State. The bill also directs the Commissioner of Education, in conjunction with the Maine Education Policy Research Institute, to prepare a transition plan that addresses the development of the regional adjustment that is based on a cost of housing factor.