

MAINE STATE LEGISLATURE

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Date: 6/14/13

Minority

L.D. 25
(Filing No. H-506)

EDUCATION AND CULTURAL AFFAIRS

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
126TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "B" to H.P. 23, L.D. 25, Bill, "An Act To Exclude Certain State-funded Costs from the State Share of the Total Cost of Funding Public Education"

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, a supplemental budget bill enacted during the 125th Legislature redefined the calculation of the state share percentage of the total cost of funding public education from kindergarten to grade 12 as required by the Essential Programs and Services Funding Act to include the state contributions to teacher retirement, retired teachers' health insurance and retired teachers' life insurance; and

Whereas, it is necessary to clarify that the state contributions to teacher retirement should reflect only the state contributions to the normal cost of teacher retirement and not the state contributions to fund the cost of the unfunded actuarial liability for retired teachers before June 30, 2013; 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 §15671, sub-§7, ¶C, as amended by PL 2013, c. 1, Pt. C, §2, is further amended to read:

C. ~~Beginning in fiscal year 2011-12, the~~ The annual targets for the state share percentage of the total cost of funding public education from kindergarten to grade 12 including the cost of the components of essential programs and services plus the state

COMMITTEE AMENDMENT

R. & S.

1 contributions that are applicable to the normal cost of teacher retirement, retired
2 teachers' health insurance and retired teachers' life insurance are as follows.

- 3 (1) For fiscal year 2011-12, the target is 49.47%.
- 4 (2) For fiscal year 2012-13, the target is 49.35%.
- 5 (3) For fiscal year 2013-14 and succeeding years, the target is 55%.

6 **Sec. 2. Appropriations and allocations.** The following appropriations and
7 allocations are made.

8 **EDUCATION, DEPARTMENT OF**
9 **General Purpose Aid for Local Schools 0308**

10 Initiative: Provides for the additional funds necessary to achieve the statutory
11 commitment for the State to fund 55% of the total cost of funding public education from
12 kindergarten to grade 12 pursuant to the Maine Revised Statutes, Title 20-A, §15671,
13 subsection 7, paragraph C beginning in fiscal year 2013-14.

14	GENERAL FUND	2013-14	2014-15
15	All Other	\$141,300,000	\$139,000,000
16			
17	GENERAL FUND TOTAL	<u>\$141,300,000</u>	<u>\$139,000,000</u>

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

20 **SUMMARY**

21 This amendment, which is the minority report of the Joint Standing Committee on
22 Education and Cultural Affairs, adds an emergency preamble and clause to the bill and
23 removes the provision in the bill that would have provided that the state contributions to
24 teacher retirement, retired teachers' health insurance and retired teachers' life insurance
25 may not be included in the calculation of the state share percentage of the total cost of
26 funding public education from kindergarten to grade 12 as required by the Essential
27 Programs and Services Funding Act. The amendment clarifies that the state contributions
28 to teacher retirement reflect the state contributions to the employer retirement costs that
29 are applicable to the normal cost of teacher retirement. The amendment also provides
30 that the state share percentage target for fiscal year 2013-14 and succeeding years is 55%.

31 This amendment adds an appropriations and allocations section.

32 **FISCAL NOTE REQUIRED**
33 (See attached)



126th MAINE LEGISLATURE

LD 25

LR 273(03)

An Act To Exclude Certain State-funded Costs from the State Share of the Total Cost of Funding Public Education

Fiscal Note for Bill as Amended by Committee Amendment

B' (H-506)

Committee: Education and Cultural Affairs

Fiscal Note Required: Yes

Fiscal Note

	FY 2013-14	FY 2014-15	Projections FY 2015-16	Projections FY 2016-17
Net Cost (Savings)				
General Fund	\$141,300,000	\$139,000,000	\$139,000,000	\$139,000,000
Appropriations/Allocations				
General Fund	\$141,300,000	\$139,000,000	\$139,000,000	\$139,000,000

Fiscal Detail and Notes

This bill includes General Fund appropriations of \$141,300,000 in fiscal year 2013-14 and \$139,000,000 per year beginning in fiscal year 2014-15 to the General Purpose Aid for Local Schools program within the Department of Education to increase the State's contribution toward funding the total cost of public education from kindergarten to grade 12, including the cost of the components of essential programs and services from 47.3% in fiscal year 2013-14, as proposed in LD 1509, the 2014-2015 biennial budget, as amended, to 55% when the state's contributions toward retired teachers' health insurance and retired teachers' group life insurance are factored in.

	LD 1509, as amended, FY 2013-14	LD 25 FY 2013-14 (with health ins and group life)	LD 1509, as amended, FY 2014-15	LD 25 FY 2014-15
Total Cost of Funding Public Education	\$ 1,992,465,618	\$ 2,019,905,618	\$ 1,992,083,006	\$ 2,021,743,006
State Contribution	\$ 942,295,406	\$ 1,083,595,406	\$ 943,236,080	\$ 1,082,286,080
Retired Teachers' Health Insurance		\$ 24,000,000		\$ 26,000,000
Retired Teachers' Group Life Ins.		\$ 3,440,000		\$ 3,660,000
State share percentage	47.3%	55.0%	47.3%	55.0%

(C^uBⁿH-506)

Additional GF appropriation needed:

\$ 141,300,000

\$ 139,050,000