

# MAINE STATE LEGISLATURE

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BME  
P. d. S.

Date: 6/17/2013

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EDUCATION AND CULTURAL AFFAIRS

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STATE OF MAINE

SENATE

126TH LEGISLATURE

FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 563, L.D. 1505, Bill, "An Act Regarding Insured Value Factor Payments for Public Tuition Students Attending a Private School"

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

**Sec. 1. 20-A MRSA §5806, sub-§2**, as amended by PL 2009, c. 571, Pt. E, §8, is further amended to read:

**2. Maximum allowable tuition.** The maximum allowable tuition charged to a school administrative unit by a private school is the rate established under subsection 1 or the state average per public secondary student cost as adjusted, whichever is lower, plus an insured value factor. ~~For school year 2009-2010 only, the maximum allowable tuition rate, prior to the addition of the insured value factor, must be reduced by 2%; the insured value factor must be based on this reduced rate.~~ The insured value factor is computed by dividing 5% of the insured value of school buildings and equipment by the average number of pupils enrolled in the school on October 1st and April 1st of the year immediately before the school year for which the tuition charge is computed. ~~For the 2008-2009 school year only, a school administrative unit is not required to pay an insured value factor greater than 5% of the school's tuition rate per student, unless the legislative body of the school administrative unit votes to authorize its school board to pay a higher insured value factor that is no greater than 10% of the school's tuition rate per student.~~ Beginning in From school year 2009-2010 to school year 2013-2014, a school administrative unit is not required to pay an insured value factor greater than 5% of the school's tuition rate or \$500 per student, whichever is less, unless the legislative body of the school administrative unit votes to authorize its school board to pay a higher insured value factor that is no greater than 10% of the school's tuition rate per student. For the 2014-2015 school year, a school administrative unit is not required to pay an insured value factor greater than 6% of the school's tuition rate per student, unless the legislative body of the school administrative unit votes to authorize its school board to pay a higher insured value factor that is no greater than 10% of the school's tuition rate per student. Beginning in the 2015-2016 school year, a school administrative unit is not required to

**COMMITTEE AMENDMENT**

P. 2 S.

1 pay an insured value factor greater than the amount of the prior school year's insured  
2 value factor adjusted by a percentage equal to the percentage change in the state share  
3 percentage of the total cost of funding public education in the prior school year as  
4 determined by section 15671, subsection 7, paragraph C as compared to the applicable  
5 percentage for the current school year. In no case may the insured value factor be less  
6 than 6% or greater than 10% of the school's tuition rate per student, unless the legislative  
7 body of the school administrative unit votes to authorize its school board to pay an  
8 insured value factor that exceeds the amount otherwise permitted by this subsection by no  
9 more than 5% of the school's tuition rate per student.

10 **Sec. 2. 20-A MRSA §15683-A**, as amended by PL 2011, c. 655, Pt. C, §7, is  
11 further amended to read:

12 **§15683-A. Total debt service allocation**

13 For each school administrative unit, that unit's total debt service allocation is that  
14 unit's debt service costs as defined in section 15672, subsection 2-A. Each school  
15 administrative unit's total debt service allocation must include the portion of the tuition  
16 cost applicable to the insured value factor for the base year computed under section 5806  
17 ~~limited to an insured value factor no greater than 5% for each eligible student. Beginning~~  
18 ~~in school year 2014-2015, each school administrative unit's total debt service allocation~~  
19 ~~must include the portion of the tuition cost applicable to the insured value factor for the~~  
20 ~~base year computed under section 5806 limited to an insured value factor no greater than~~  
21 ~~the percentage established in section 5806, excluding any higher percentage authorized~~  
22 ~~by local school boards, for each eligible student for the base year.'~~

23 **SUMMARY**

24 This amendment strikes and replaces the bill to increase the insured value factor  
25 portion of the tuition rate that a private school may charge for public tuition students to  
26 6% of the tuition rate in school year 2014-2015. The amendment provides that, in  
27 subsequent school years, the insured value factor payment will be adjusted by a  
28 percentage equal to the change in the State's share of the total cost of funding education,  
29 but may not be less than 6% and not more than 10% of the tuition rate, unless the school  
30 administrative unit votes to pay an insured value factor that exceeds the amount permitted  
31 by no more than 5% of the private school's tuition rate.

32 **FISCAL NOTE REQUIRED**

33 (See attached)



Approved: 06/11/13 *MAC*

# 126th MAINE LEGISLATURE

LD 1505

LR 2119(02)

## An Act Regarding Insured Value Factor Payments for Public Tuition Students Attending a Private School

Fiscal Note for Bill as Amended by Committee Amendment "A" (S-293)

Committee: Education and Cultural Affairs

Fiscal Note Required: Yes

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### Fiscal Note

Future biennium cost increase - General Fund

#### Fiscal Detail and Notes

Increasing the percentage of the maximum allowed tuition rate that private schools that are approved for receipt of public funds may charge for the Insured Value Factor (IVF) beginning in the 2014-2015 school year will increase costs to those local school administrative units that send students to these private schools in the same school year. This provision will increase the State's share of the cost of funding K-12 education beginning in fiscal year 2016-17, which is when the data reflecting the actual cost to school administrative units will be included in the calculation of essential programs and services.