

MAINE STATE LEGISLATURE

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126th MAINE LEGISLATURE

SECOND REGULAR SESSION-2014

Legislative Document

No. 1657

S.P. 651

In Senate, December 23, 2013

An Act To Ensure Equity in Teacher Retirement Costs for Private Academies

(EMERGENCY)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Received by the Secretary of the Senate on December 23, 2013. Referred to the Committee on Appropriations and Financial Affairs pursuant to Joint Rule 308.2 and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator LANGLEY of Hancock.
Cosponsored by Representative NELSON of Falmouth and
Senator: JOHNSON of Lincoln, Representatives: HUBBELL of Bar Harbor, JOHNSON of
Greenville, KORNFELD of Bangor, MacDONALD of Boothbay, McCLELLAN of Raymond,
RANKIN of Hiram, WILLETTE of Mapleton.

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

3 **Whereas,** this legislation needs to take effect before the expiration of the 90-day
4 period in order to be in place in time to apply to the 2013-2014 school year; and

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

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

10 **Sec. 1. 20-A MRSA §5806, sub-§2,** as amended by PL 2013, c. 368, Pt. C, §3
11 and c. 418, §1, is repealed and the following enacted in its place:

12 **2. Maximum allowable tuition.** The maximum allowable tuition charged to a
13 school administrative unit by a private school is the rate established under subsection 1 or
14 the state average per public secondary student cost as adjusted, whichever is lower, plus
15 an insured value factor. The insured value factor is computed by dividing 5% of the
16 insured value of school buildings and equipment by the average number of pupils
17 enrolled in the school on October 1st and April 1st of the year immediately before the
18 school year for which the tuition charge is computed. From school year 2009-2010 to
19 school year 2013-2014, a school administrative unit is not required to pay an insured
20 value factor greater than 5% of the school's tuition rate or \$500 per student, whichever is
21 less, unless the legislative body of the school administrative unit votes to authorize its
22 school board to pay a higher insured value factor that is no greater than 10% of the
23 school's tuition rate per student. For the 2014-2015 school year, a school administrative
24 unit is not required to pay an insured value factor greater than 6% of the school's tuition
25 rate per student, unless the legislative body of the school administrative unit votes to
26 authorize its school board to pay a higher insured value factor that is no greater than 10%
27 of the school's tuition rate per student. Beginning in the 2015-2016 school year, a school
28 administrative unit is not required to pay an insured value factor greater than the amount
29 of the prior school year's insured value factor adjusted by a percentage equal to the
30 percentage change in the state share percentage of the total cost of funding public
31 education in the prior school year as determined by section 15671, subsection 7,
32 paragraph C as compared to the applicable percentage for the current school year. In no
33 case may the insured value factor be less than 6% or greater than 10% of the school's
34 tuition rate per student, unless the legislative body of the school administrative unit votes
35 to authorize its school board to pay an insured value factor that exceeds the amount
36 otherwise permitted by this subsection by no more than 5% of the school's tuition rate per
37 student. For the 2013-2014 school year only, the maximum allowable tuition charged to
38 a school administrative unit by a private school that participates in the Maine Public
39 Employees Retirement System must be increased above the amount otherwise permitted
40 under this section by an amount equal to 60% of the calculated normal cost of teacher
41 retirement for that school divided by the number of enrolled students as of October 1,
42 2012. The remaining 40% must be paid by the private school. Any overpayments made

1 by a school administrative unit in the 2013-2014 school year must be remitted back to
2 that school administrative unit within the first quarter of fiscal year 2014-15.

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

5 **SUMMARY**

6 This bill provides that, for the 2013-2014 school year only, the maximum allowable
7 tuition charged to a school administrative unit by a private school that participates in the
8 Maine Public Employees Retirement System must be increased above the amount
9 otherwise permitted by an amount equal to 60% of the calculated normal cost of teacher
10 retirement for that school divided by the number of enrolled students as of October 1,
11 2012. Current law allows this increase in the maximum allowable tuition for the
12 2013-2014 and 2014-2015 school years and allows the entire cost of teacher retirement to
13 be recovered through the tuition increase. The bill also corrects a conflict that was created
14 when 2 public laws amended the same provision of law.