

MAINE STATE LEGISLATURE

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126th MAINE LEGISLATURE

SECOND REGULAR SESSION-2014

Legislative Document

No. 1850

H.P. 1335

House of Representatives, March 31, 2014

**Resolve, To Establish the Commission To Strengthen the Adequacy
and Equity of Certain Cost Components of the School Funding
Formula**

(EMERGENCY)

Reported by Representative MacDONALD of Boothbay for the Joint Standing Committee on Education and Cultural Affairs pursuant to Resolve 2011, chapter 166, section 8.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

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 allow the commission established in this resolve sufficient time to
5 complete its work; and

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

10 **Sec. 1. Commission established. Resolved:** That, notwithstanding Joint Rule
11 353, the Commission To Strengthen the Adequacy and Equity of Certain Cost
12 Components of the School Funding Formula, referred to in this resolve as "the
13 commission," is established; and be it further

14 **Sec. 2. Commission membership. Resolved:** That the commission consists of
15 18 members as follows:

16 **1. Appointments by Senate President.** Two members of the Senate, who serve on
17 the Joint Standing Committee on Education and Cultural Affairs, appointed by the
18 President of the Senate, including one member of the party holding the largest and one
19 member of the party holding the 2nd largest number of seats in the Legislature;

20 **2. Appointments by Speaker of the House.** Three members of the House of
21 Representatives, who serve on the Joint Standing Committee on Education and Cultural
22 Affairs, appointed by the Speaker of the House, including 2 members of the party holding
23 the largest and one member of the party holding the 2nd largest number of seats in the
24 Legislature;

25 **3. Commissioner of Education.** The Commissioner of Education or the
26 commissioner's designee;

27 **4. State Board of Education.** The Chair of the State Board of Education or the
28 chair's designee; and

29 **5. Public members.** Eleven members with extensive knowledge of public education
30 and school finance policies in the State, including:

31 A. One person representing the Maine Education Association, appointed by the
32 President of the Senate;

33 B. One person representing the Maine Principals' Association, appointed by the
34 Speaker of the House;

35 C. One person representing the Maine School Boards Association, appointed by the
36 President of the Senate;

37 D. One person representing the Maine School Superintendents Association, appointed
38 by the Speaker of the House;

- 1 E. One person representing the Maine Administrators of Services for Children with
2 Disabilities, appointed by the President of the Senate;
- 3 F. One person representing the Maine Association of School Business Officials,
4 appointed by the Speaker of the House;
- 5 G. One person representing the Maine Small Schools Coalition, appointed by the
6 President of the Senate;
- 7 H. One person representing the larger, urban school administrative units in the State
8 represented by the Maine Mayors Coalition, appointed by the Speaker of the House;
- 9 I. One person representing Educare Central Maine, appointed by the Speaker of the
10 House;
- 11 J. One person representing Educate Maine, appointed by the President of the Senate;
12 and
- 13 K. One person representing the Maine Municipal Association, appointed by the
14 Speaker of the House; and be it further

15 **Sec. 3. Chairs. Resolved:** That the first-named Senate member is the Senate
16 chair and the first-named House of Representatives member is the House chair of the
17 commission; and be it further

18 **Sec. 4. Appointments; convening of commission. Resolved:** That all
19 appointments must be made no later than 30 days following the effective date of this
20 resolve. The appointing authorities shall notify the Executive Director of the Legislative
21 Council once all appointments have been completed. Within 15 days after appointment
22 of all members, the chairs shall call and convene the first meeting of the commission,
23 which must be no later than 30 days following the appointment of all members; and be it
24 further

25 **Sec. 5. Duties. Resolved:** That the commission shall hold no more than 6
26 meetings. The commission shall examine the reports and related work products presented
27 to the Joint Standing Committee on Education and Cultural Affairs during the 126th
28 Legislature as part of the independent review of the Essential Programs and Services
29 Funding Act conducted pursuant to Resolve 2011, chapter 166 and shall develop a plan to
30 strengthen the adequacy and equity of the following cost components included in the
31 Essential Programs and Services Funding Act and other related education statutes.

32 **1. Public preschool programs for children 4 years of age.** As part of the review
33 and analysis of public preschool programs for children 4 years of age, the commission
34 shall:

- 35 A. Review the work products and any proposed rules developed by the Department
36 of Education's work group to implement quality standards of practice for Maine
37 public preschool programs, including an analysis of the standards proposed to address
38 quality and consistency of public preschool programs and collaboration with other
39 early childhood and preschool programs;

1 B. Conduct an analysis of the targeted funds for public preschool to grade 2 students
2 that are allocated specifically for preschool students and conduct an analysis of the
3 projected costs for providing public preschool programs for all eligible children 4
4 years of age in the State;

5 C. Review the current method for calculating the number of public preschool
6 students enrolled in a school administrative unit's public preschool program and
7 conduct an analysis of the projected costs for changing the current method for
8 calculating the number of public preschool students that counts each public preschool
9 student as a 0.5 full-time equivalent student for the first year and a 1.0 full-time
10 equivalent student beginning in the 2nd year to a new method that counts each public
11 preschool student as a 1.0 full-time equivalent student for the first year and
12 subsequent years; and

13 D. Collect and review information on the physical space and facility capacity of
14 school administrative units and project the school facility costs necessary to
15 implement public preschool programs for eligible children 4 years of age in the State.

16 **2. Support for economically disadvantaged students; Title I funds.** As part of the
17 review and analysis of the cost components related to strengthening support for
18 economically disadvantaged students, including the provision of funding under Title I of
19 the federal Elementary and Secondary Education Act of 1965, 20 United States Code,
20 Section 6301 et seq., referred to in this resolve as "Title I," and resources to provide extra
21 help for struggling students, such as extended school days and summer school programs,
22 the commission shall:

23 A. Collect school administrative unit spending data on the number of Title I teachers
24 and education technicians in order to update the staffing ratios in the essential
25 programs and services funding formula;

26 B. Conduct an analysis of the updated data collected on student-teacher and student-
27 education technician staffing ratios in the essential programs and services funding
28 formula in order to separate the groups of teachers into the following categories:
29 classroom teachers, Title I teachers and teacher leaders or instructional coaches;

30 C. Develop a plan for adjusting the costs of the essential programs and services
31 funding formula to account for the separate costs of classroom teachers, Title I
32 teachers, education technicians and teacher leaders or instructional coaches;

33 D. Conduct research and analysis of the structures, programs, costs and achievement
34 impacts of evidence-based practices in other states related to extended school day and
35 summer school programs and also analyze examples of extended school day and
36 summer school programs provided by school administrative units in the State;

37 E. Develop 2 or more models for funding and evaluating extended school day and
38 summer school programs for inclusion in the essential programs and services funding
39 formula; and

40 F. Project the financial impact of the adjustments under this subsection to the
41 essential programs and services funding formula.

1 **3. Professional development and collaborative time needed to implement**
2 **proficiency-based learning.** As part of the research and analysis of the cost components
3 related to strengthening support for professional development, collaborative time to
4 implement proficiency-based learning and spending data on teacher leaders or
5 instructional coaches, including the following aspects of the cost components, the
6 commission shall:

7 A. Collect school administrative unit spending data on professional development
8 programs and collaborative time for teachers, as well as the school administrative unit
9 spending data on teacher leaders or instructional coaches in order to update the
10 staffing ratios in the essential programs and services funding formula;

11 B. Establish a dedicated funding mechanism and process, such as a supplemental
12 professional development block grant program, that allows the Department of
13 Education to provide funding to school administrative units that submit proposals to
14 secure professional development funds;

15 C. Create a standards-based inventory of effective professional development
16 programs and strategies from which school administrative units may select programs
17 and strategies in order to receive supplemental professional development block grant
18 funds; and

19 D. Develop an implementation plan for increasing the allocation of funds for
20 professional development, collaborative time for teachers and teacher leaders or
21 instructional coaches and include provisions in the implementation plan to monitor
22 the use of these funds by school administrative units.

23 **4. Regional cost adjustment for teacher salaries.** As part of the research and
24 analysis of the cost components related to the regional cost adjustment for teacher
25 salaries, the commission shall:

26 A. Collect and update school administrative unit data included in the regional
27 adjustment for teacher salaries pursuant to the Maine Revised Statutes, Title 20-A,
28 section 15682;

29 B. Recalculate the regional adjustments using the most recent teacher salary data
30 available and conduct analyses using the 35 labor market areas currently included in
31 the essential programs and services funding formula and using the 31 labor market
32 areas developed by the Department of Labor; and

33 C. Conduct research and analysis of the strategies used in other states to address
34 teacher salary gaps in school districts.

35 **5. Debt service for locally approved school construction projects in the required**
36 **local share of school funding.** As part of the research and analysis of the cost
37 components related to debt service for locally approved school construction projects in
38 the required state and local shares of school funding under the Essential Programs and
39 Services Funding Act, the commission shall:

40 A. Review the statutory provisions under the Maine Revised Statutes, Title 20-A,
41 section 15672, subsection 2-A related to determination of debt service costs that are

1 included and excluded from the school construction projects that are recognized in
2 the required state and local shares of school funding;

3 B. Review school administrative unit data related to energy and other costs related to
4 minor capital costs, defined in the Maine Revised Statutes, Title 20-A, section 15672,
5 subsection 20-A; and

6 C. Review the statutory provisions under the Maine Revised Statutes, Title 30-A,
7 section 6006-F related to the School Revolving Renovation Fund.

8 **6. Special education allocation for minimum subsidy receivers.** The commission
9 shall review the statutory provisions under the Maine Revised Statutes, Title 20-A,
10 section 15689, subsections 1, 1-B and 11 that reduce the special education allocations for
11 minimum subsidy receivers from 100% to 30% of special education costs, and the
12 commission shall develop one or more models to align the special education allocations
13 for minimum subsidy receivers with the progress of state funding levels necessary to
14 progress towards meeting the statutory obligation to fund 55% of the total cost of
15 education statewide.

16 **7. State contributions to fund the cost of the unfunded actuarial liability for**
17 **retired teachers.** The commission shall review the statutory provisions under the Maine
18 Revised Statutes, Title 20-A, section 15671, subsection 7, paragraph C that recognize the
19 state contributions to fund the cost of the unfunded actuarial liability for retired teachers,
20 and the commission shall make recommendations on whether the calculation of the state
21 share percentage of the total cost of funding public education from kindergarten to grade
22 12 as required by the Essential Programs and Services Funding Act should continue to
23 include the state contributions to fund the cost of the unfunded actuarial liability for
24 retired teachers; and be it further

25 **Sec. 6. Contract to review essential programs and services components.**
26 **Resolved:** That, for fiscal year 2014-15, the Commissioner of Education shall contract
27 with a statewide education research institute to review the cost components of the
28 Essential Programs and Services Funding Act and related education statutes pursuant to
29 section 5 of this resolve. The contract must be funded with funding allocated for the
30 purposes of Title 20-A, section 15689-A, subsection 3. The commissioner may not
31 contract with a statewide education research institute to review certain cost components
32 of the Essential Programs and Services Funding Act in accordance with the schedule
33 established in Title 20-A, section 15686-A; and be it further

34 **Sec. 7. Contract for Education Research Institute. Resolved:** That, if
35 funds are required in addition to the funds provided pursuant to section 6 of this resolve
36 for the compilation and analysis of education data necessary to fulfill the duties
37 established pursuant to section 5 of this resolve, notwithstanding the Maine Revised
38 Statutes, Title 20-A, section 15689-A, subsection 6, for fiscal year 2014-15, the
39 Commissioner of Education and the Legislature may contract with the Education
40 Research Institute in accordance with Title 20-A, section 10 and use funds otherwise
41 provided for a contract pursuant to Title 20-A, section 15689-A, subsection 6. The
42 contract authorized in accordance with Title 20-A, section 15689-A, subsection 6 for

1 fiscal year 2014-15 may not exceed the balance of funds remaining after funds are
2 allocated for this purpose; and be it further

3 **Sec. 8. Staffing assistance; information. Resolved:** That the Department of
4 Education and the Education Research Institute established pursuant to the Maine
5 Revised Statutes, Title 20-A, section 10 shall provide staffing assistance to the
6 commission. The Department of Education and the Education Research Institute shall
7 provide the commission with access to previous reports on school funding in the State
8 and access to database information necessary to carry out the duties pursuant to section 5
9 of this resolve. The Office of Policy and Legal Analysis shall provide drafting assistance
10 to the commission; and be it further

11 **Sec. 9. Report; recommendations. Resolved:** That the commission shall
12 submit a report containing its findings and recommendations pursuant to section 5 of this
13 resolve, including any necessary implementing legislation, to the joint standing
14 committee of the Legislature having jurisdiction over education and cultural affairs by
15 December 9, 2014. The joint standing committee of the Legislature having jurisdiction
16 over education and cultural affairs may submit a bill related to this report to the First
17 Regular Session of the 127th Legislature; and be it further

18 **Sec. 10. Appropriations and allocations. Resolved:** That the following
19 appropriations and allocations are made.

20 **EDUCATION, DEPARTMENT OF**

21 **General Purpose Aid for Local Schools 0308**

22 Initiative: Provides one-time funds to contract for staff support for the Commission To
23 Strengthen the Adequacy and Equity of Certain Cost Components of the School Funding
24 Formula.

25	GENERAL FUND	2013-14	2014-15
26	All Other	\$0	\$10,000
27			
28	GENERAL FUND TOTAL	\$0	\$10,000

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

31 **SUMMARY**

32 This resolve is reported out by the Joint Standing Committee on Education and
33 Cultural Affairs pursuant to Resolve 2011, chapter 166, section 8. As required by the
34 resolve, the qualified research entity selected to conduct the independent review of the
35 Essential Programs and Services Funding Act submitted a final report to the committee
36 that included findings, conclusions and recommendations regarding changes to the
37 Essential Programs and Services School Funding Act.

1 The resolve establishes the Commission To Strengthen the Adequacy and Equity of
2 Certain Cost Components of the School Funding Formula. The commission is directed to
3 examine the reports and related work products presented to the Joint Standing Committee
4 on Education and Cultural Affairs during the 126th Legislature as part of the independent
5 review of the Essential Programs and Services Funding Act and to develop a plan to
6 strengthen the adequacy and equity of the following cost components of the Essential
7 Programs and Services Funding Act and related education statutes:

- 8 1. Public preschool programs for children 4 years of age;
- 9 2. Support for economically disadvantaged students, including Title I funds and extra
10 help for struggling students;
- 11 3. Professional development and collaborative time needed to implement
12 proficiency-based learning;
- 13 4. Regional cost adjustment for teacher salaries;
- 14 5. Debt service for locally approved school construction projects in the required local
15 share of school funding;
- 16 6. Special education allocation for minimum subsidy receivers; and
- 17 7. State contributions to fund the cost of the unfunded actuarial liability for retired
18 teachers.

19 The commission is required to submit a report to the joint standing committee of the
20 Legislature having jurisdiction over education and cultural affairs by December 9, 2014.
21 The report submitted by the commission must include findings, recommendations and
22 any necessary implementing legislation. The joint standing committee of the Legislature
23 having jurisdiction over education and cultural affairs may submit a bill related to this
24 report to the First Regular Session of the 127th Legislature.



126th MAINE LEGISLATURE

LD

LR 2782(01)

Resolve, To Establish the Commission To Strengthen the Adequacy and Equity of Certain Cost Components of the School Funding Formula

Fiscal Note for Original Bill
Committee: Education and Cultural Affairs
Fiscal Note Required: Yes

Fiscal Note

Legislative Cost/Study

	FY 2013-14	FY 2014-15	Projections FY 2015-16	Projections FY 2016-17
Net Cost (Savings)				
General Fund	\$0	\$10,000	\$0	\$0
Appropriations/Allocations				
General Fund	\$0	\$10,000	\$0	\$0

Legislative Cost/Study

The general operating expenses of this study commission are projected to be \$1,500 in fiscal year 2013-14 and \$3,000 in fiscal year 2014-15. The Legislature's proposed budget includes \$10,000 in fiscal year 2013-14 and \$10,000 in fiscal year 2014-15 for legislative studies. Whether the amounts are sufficient to fund all studies will depend on the number of studies authorized by the Legislative Council and the Legislature. The additional costs of providing drafting assistance to the study commission can be absorbed utilizing existing budgeted staff resources.

Fiscal Detail and Notes

This bill includes a one-time General Fund appropriation of \$10,000 in fiscal year 2014-15 to the General Purpose Aid for Local Schools program within the Department of Education for the costs associated with contracting with a staffing agency to provide assistance to the commission.

Current law requires the Department of Education to contract with a statewide education research institute for the 1) updating of the essential programs and services components (Title 20-A, §15689-A, sub-§3) and 2) the compilation and analysis of education data (Title 20-A, §15689-A, sub-§6). For fiscal year 2014-15, \$250,000 is currently budgeted within the General Purpose Aid for Local Schools General Fund program account for each of these contracts, for a total of \$500,000. This legislation requires that, for fiscal year 2014-15 only, the Department of Education not contract with a statewide education research institute for the purposes established in current law, but instead allows these funds to be utilized to support the work of the Commission.

Pursuant to Public Law 2013, Chapter 368, Part F, the Governor's Office of Policy and Management identified potential savings for fiscal year 2014-15 and submitted its recommendations to the Joint Standing Committee on Appropriations and Financial Affairs on October 2, 2013. The report included a recommendation to eliminate the \$500,000 in funding for both of the contracts listed in the paragraph above. Part F authorizes the Joint Standing Committee on Appropriations and Financial Affairs to submit legislation related to the report to the Second Regular Session of the 126th Legislature. Whether this recommendation will be included in legislation that may be reported out by the Joint Standing Committee on Appropriations and Financial Affairs can not be determined at this time. If the recommendation is included and the legislation is approved by the Legislature and signed by the Governor, this funding will not be available to support the work of the Commission. Unless an alternative funding source is identified or a General Fund appropriation is provided, the Commission may not be able to complete all of the requirements of this legislation.