

MAINE STATE LEGISLATURE

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Date: 3/25/24

L.D. 1402
(Filing No. H-859)

EDUCATION AND CULTURAL AFFAIRS

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
131ST LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 897, L.D. 1402, "An Act to Provide an Additional Allocation in the School Funding Formula to Cover Tax-exempt Property or a Large Economically Disadvantaged Student Population"

Amend the bill by striking out the title and substituting the following:

'An Act Regarding Unobligated Balances from Amounts Appropriated for General Purpose Aid for Local Schools and to Require Annual Reports on School Demographics'

Amend the bill by striking out all of the emergency preamble.

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

'Sec. 1. 20-A MRSA §254, sub-§20 is enacted to read:

20. Annual demographic profile report. By January 15, 2025 and annually thereafter, the commissioner shall submit to the joint standing committee of the Legislature having jurisdiction over education matters a report on the demographic profiles of public schools and public school students in the State.

Sec. 2. 20-A MRSA §15689-B, sub-§8, as enacted by PL 2005, c. 2, Pt. D, §61 and affected by §§72 and 74 and c. 12, Pt. WW, §18, is amended to read:

8. Unobligated balances. Unobligated balances from amounts appropriated for general purpose aid for local schools may not lapse but must be carried forward to the next fiscal year and, on or before October 1st of each year, at least 60% of the unobligated balances must be transferred to the Maine Municipal Bond Bank for the School Revolving Renovation Fund established under Title 30-A, section 6006-F.

Sec. 3. Development of annual demographic profile report. The Commissioner of Education shall consult with the Education Research Institute and Education Research Institute Steering Committee established under the Maine Revised Statutes, Title 20-A, section 10 on the initial development of the annual demographic profile report required pursuant to Title 20-A, section 254, subsection 20.'

COMMITTEE AMENDMENT

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Amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

SUMMARY

This amendment replaces the bill, changes the title and removes the emergency preamble and clause. The amendment requires the Commissioner of Education to report annually to the joint standing committee of the Legislature having jurisdiction over education matters on the demographic profiles of public schools and students in Maine and to consult with the Maine Education Policy Research Institute and its steering committee on the initial development of the demographic profile report.

This amendment also requires that, of the unobligated balances in the Department of Education's general purpose aid for local schools account that are carried forward to the next fiscal year, at least 60% must be transferred to the School Revolving Renovation Fund no later than October 1st of each year.

FISCAL NOTE REQUIRED
(See attached)



131st MAINE LEGISLATURE

LD 1402

LR 724(02)

An Act to Provide an Additional Allocation in the School Funding Formula to Cover Tax-exempt Property or a Large Economically Disadvantaged Student Population

Fiscal Note for Bill as Amended by Committee Amendment 'A' (H-859)
 Committee: Education and Cultural Affairs

Fiscal Note Required: Yes

Fiscal Note

Directs spending of unencumbered balances - General Purpose Aid for Local Schools (GPA)
 Potential increase in funding - School Revolving Renovation Fund

Fiscal Detail and Notes

Unobligated balances in the GPA program within the Department of Education at the end of each fiscal year are carried forward into the next fiscal year and expended only if authorized by the Governor through a financial order or approved by the Legislature through a budget or other legislative document. In past fiscal years these funds have been used to cover funding shortfalls in such areas as National Board Certification Salary supplements, state agency clients, data management and other targeted education costs. In fiscal year 2022-23 a financial order was approved to cover a \$10,000,000 shortfall in the free school breakfast and lunch program enacted in Public Law 2021, chapter 635. The Legislature also authorized \$40,000,000 to lapse to the unappropriated surplus of the General Fund at the end of fiscal year 2022-23 in Public Law 2023, chapter 412, Part FFFFFF (the 2024-2025 biennial budget) to support the costs of other initiatives in the budget. In this fiscal year a financial order has been approved for \$7,530,891 to cover subsidy obligations, hardship payments and increased costs at the Maine Educational Center for the Deaf and Hard of Hearing and the Governor Baxter School for the Deaf. Additionally, a financial order for \$8,000,000 to cover a shortfall in the Child Development System is currently awaiting approval.

Requiring that at least 60% of the unobligated balances in the GPA program account that have been carried forward from the previous fiscal year be transferred to the Maine Municipal Bond Bank for the School Revolving Renovation Fund (SRRF) on or before October 1st of each year will increase funding to the SRRF and reduce funding available to cover various unanticipated shortfalls and other expenditures in the future. This may result in additional General Fund appropriations being required or a curtailment of spending in affected programs.

Additional costs to the Department of Education to consult with the Maine Education Policy Research Institute and its steering committee on initial development of an annual demographic profile report on public schools and public school students in the State can be absorbed within existing budgeted resources.