

MAINE STATE LEGISLATURE

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131st MAINE LEGISLATURE

FIRST REGULAR SESSION-2023

Legislative Document

No. 1402

H.P. 897

House of Representatives, March 28, 2023

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

(EMERGENCY)

Reference to the Committee on Education and Cultural Affairs suggested and ordered printed.

A handwritten signature in cursive script that reads "Robert B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative BRENNAN of Portland.
Cosponsored by Senator PIERCE of Cumberland and
Representatives: CLOUTIER of Lewiston, COLLINGS of Portland, CROCKETT of Portland,
GEIGER of Rockland, LOOKNER of Portland, MOONEN of Portland, SHEEHAN of
Biddeford, TERRY of Gorham.

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

Whereas, this legislation must be enacted before the expiration of the 90-day period so that the State Controller may transfer on June 30, 2023 the unencumbered balances remaining in the Department of Education, General Purpose Aid for Local Schools program, General Fund account that otherwise would be carried forward into the next fiscal year; 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 §15689, sub-§17 is enacted to read:

17. Tax-exempt property or economically disadvantaged student adjustment.
Beginning in fiscal year 2024-25, and for each subsequent fiscal year, a school administrative unit may receive an adjustment if:

A. At least 15% of the property within the school administrative unit is tax-exempt property that cannot be taxed to support public education in the school administrative unit; or

B. At least 50% of the students within the school administrative unit are economically disadvantaged students. An adjustment under this paragraph must be in addition to any adjustment under subsection 11.

The Education Investment Account, referred to in this subsection as "the account," is established within the department to fund the adjustment under this subsection. After the close of the fiscal year ending June 30, 2023 and the close of each fiscal year thereafter, the State Controller shall transfer to the account the unencumbered balances remaining in the Department of Education, General Purpose Aid for Local Schools program, General Fund account that otherwise would be carried forward into the next fiscal year. To qualify for an adjustment under this subsection, a school administrative unit shall submit a plan to the commissioner for how the funds will be used to increase academic and social success of economically disadvantaged students. The amount of the adjustment must be based on a per-pupil rate calculated using the number of economically disadvantaged students at the school administrative unit and limited by the amount of funds in the account.

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

SUMMARY

This bill provides for an additional allocation of school funding for a school administrative unit in which at least 15% of the school administrative unit has tax-exempt property that cannot be levied to support public education in the school administrative unit or for a school administrative unit in which at least 50% of students are eligible for free or reduced-price meals. The adjustment is funded through any unencumbered balances that otherwise would be carried forward into the next fiscal year in the Department of

1 Education, General Purpose Aid for Local Schools program, General Fund account. To
2 qualify for an adjustment, the school administrative unit is required to submit a plan for
3 how the funds will be used to increase academic and social success of economically
4 disadvantaged students. The amount of the adjustment must be based on a per-pupil rate
5 calculated using the number of economically disadvantaged students and limited by the
6 amount of funds available.