

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE
ONE HUNDRED AND THIRTEENTH LEGISLATURE

FIRST SPECIAL SESSION

October 9, 1987 to October 10, 1987

SECOND SPECIAL SESSION

October 21, 1987 to November 20, 1987

and the

SECOND REGULAR SESSION

January 6, 1988 to May 5, 1988

PUBLISHED BY THE REVISOR OF STATUTES
IN ACCORDANCE WITH MAINE REVISED STATUTES ANNOTATED,
TITLE 3, SECTION 163-A, SUBSECTION 4.

Twin City Printery
Lewiston, Maine
1988

PUBLIC LAWS

OF THE

STATE OF MAINE

AS PASSED AT THE
FIRST AND SECOND SPECIAL SESSIONS
and
SECOND REGULAR SESSION
of the
ONE HUNDRED AND THIRTEENTH LEGISLATURE
1987

Bureau of Health		
All Other	\$(150,000)	
Deappropriates funds for prenatal care.		
Aid to Families with Dependent Children		
All Other	\$(145,000)	
Deappropriates funds.		
Free Drugs to Maine's Elderly		
All Other	(\$393,408)	
Deappropriates surplus funds not needed for current program.		
Regional Income Maintenance		
Positions	(15)	
Personal Services	\$228,282	
All Other	56,425	
Capital Expenditures	11,700	
Total		<u>\$296,407</u>
Provides funds for 11 Income Maintenance Specialists, 2 Income Maintenance Supervisors and 2 Clerk Typists II positions, effective October 1, 1988.		
TOTAL	(\$393,408)	<u>\$1,993,408</u>

Sec. 7. Allocation. The following funds are allocated from federal funds to carry out the purposes of this Act.

		<u>1988-89</u>
<u>HUMAN SERVICES, DEPARTMENT OF</u>		
Medical Care — Payment to Providers		
All Other	\$4,657,713	
Allocates federal Medicaid matching funds effective October 1, 1988.		
Aid to Families with Dependent Children		
All Other	\$(291,484)	
Deallocates federal matching funds.		
Regional Income Maintenance		
Positions	(15)	
Personal Services	\$221,346	
All Other	56,425	
Capital Expenditures	11,700	
Total		<u>\$289,471</u>
Allocates federal matching funds for 12 Income Maintenance Specialists,		

one Income Maintenance Supervisor and 2 Clerk Typist II positions effective October 1, 1988.

TOTAL \$4,655,700

Effective August 4, 1988.

CHAPTER 848

H.P. 272 — L.D. 355

AN ACT to Increase the State Funding of Educational Costs.

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

Whereas, inflationary increases and costs associated with educational reform initiatives have increased the demand on local resources for public educational funding; and

Whereas, the Legislature has made past efforts to address the increase in local educational costs but realizes a continuing obligation for funding public educational costs; and

Whereas, the School Funding Task Force has proposed numerous revisions to provide a significant amount of state subsidy for educational costs; and

Whereas, the next fiscal year for school districts begins July 1, 1988; and

Whereas, the effective date of this Act is July 1, 1988; 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 MRS §15602, sub-§3 is enacted to read:

3. Percentage. Effective 1989-90, the percentage of the State's share of the operating cost allocation on a statewide basis shall be no less than the percentage of the State's share of operating costs in 1988-89.

Sec. 2. 20-A MRS §15603, sub-§16, as enacted by PL 1983, c. 859, Pt. G, §§2 and 4, is amended to read:

16. Local share percentage for operating costs. "Local share percentage for operating costs" means the rate

computed by dividing the local share of the operating cost allocation by the maximum operating cost allocation, expressed as a percentage under section 15609, subsection 1, paragraph A.

Sec. 3. 20-A MRSA §15603, sub-§§16-A to 16-D are enacted to read:

16-A. Local share percentage for program costs. "Local share percentage for program costs" means the rate computed by dividing the local share of the program cost allocation by the maximum program cost allocation, expressed as a percentage under section 15609, subsection 1, paragraph B.

16-B. Local share percentage for debt service costs. "Local share percentage for debt service costs" means the rate computed by dividing the local share of the debt service cost allocation by the maximum debt service cost allocation, expressed as a percentage under section 15611, subsection 1, paragraph A.

16-C. Local share percentage for foundation allocation costs. "Local share percentage for foundation allocation costs" means the rate computed by dividing the sum of the local share of the operating costs plus the local share of program costs by the sum of the operating cost allocation plus the program cost allocation.

16-D. Local share percentage for subsidized educational costs. "Local share percentage for subsidized educational costs" means the rate computed by dividing the sum of the local share of the operating costs plus the local share of program costs plus the local share of debt service costs by the sum of the operating cost allocation plus the program cost allocation plus the debt service cost allocation.

Sec. 4. 20-A MRSA §15603, sub-§25, as enacted by PL 1983, c. 859, Pt. G, §§2 and 4, is amended to read:

25. State share percentage for operating costs. "State share percentage for operating costs" means the rate computed by dividing the state share of the operating costs allocation by the maximum operating cost allocation, expressed as a percentage, under section 15609, subsection 1, paragraph A.

Sec. 5. 20-A MRSA §15603, sub-§§25-A to 25-D are enacted to read:

25-A. State share percentage for debt service costs. "State share percentage for debt service costs" means the rate computed by dividing the state share of the debt service cost allocation by the maximum debt service cost allocation, expressed as a percentage under section 15611, subsection 2.

25-B. State share percentage for foundation allocation costs. "State share percentage for foundation allocation costs" means the rate computed by dividing the sum of the state share of the operating costs plus the state share of the program costs by the sum of the operating cost allocation plus the program cost allocation.

25-C. State share percentage for program costs. "State share percentage for program costs" means the rate computed by dividing the state share of the program cost allocation by the maximum program cost allocation, expressed as a percentage under section 15609, subsection 1, paragraph B.

25-D. State share percentage for subsidized educational costs. "State share percentage for subsidized educational costs" means the rate computed by dividing the sum of state share of the operating costs plus the state share of program costs plus the state share of debt service costs by the sum of the operating cost allocation plus the program cost allocation plus the debt service cost allocation.

Sec. 6. 20-A MRSA §15605, sub-§3, as enacted by PL 1983, c. 859, Pt. G, §§2 and 4, is repealed and the following enacted in its place:

3. Guidelines for actual local operating and program costs; updating. The commissioner's recommendation for actual local operating and program costs adjusted, exclusive of bus purchase costs, shall reflect changes in pupil enrollment, economic factors, actual changes in educational costs and any other considerations which effect a change in the costs of education. In any year, the adjustments shall not be less than the average of the 2 most recent annual percentages of increase in statewide operating and program costs of school administrative units. Notwithstanding this subsection, in the event that increases in any category within the program costs are significantly out of proportion to increases in the other categories, the commissioner may use other appropriate considerations in determining the recommended funding level for that category. The commissioner shall be conscious of the need for prudent restraint in educational financing.

Sec. 7. 20-A MRSA §15609, as enacted by PL 1983, c. 859, Pt. G, §§2 and 4, is amended to read:

§15609. Computation of maximum local share of the foundation allocation

1. Maximum local share of the foundation allocation computation. The commissioner shall compute the local share of the foundation allocation by adding the following.

A. The local share of the allocation for operating costs shall be the product of the operating cost millage established under section 15607 and the state valuation of the municipalities in the administrative units. The commissioner's computation of the local share of the allocation for operating costs for each unit or member municipality within a school administrative district or community school district shall not exceed the total operating allocation of each municipality.

(1) The local share percentage of operating costs shall be the proportion that the local share of the

allocation for operating cost is to the maximum operating cost allocation. The state share percentage of operating costs shall be the proportion that the state share of the allocation for operating cost is to the maximum operating cost allocation.

B. The local share of the allocation for program costs shall be the actual local program costs in the base year adjusted and bus purchase costs in the year prior to the year of allocation multiplied by the local share percentage determined in paragraph A or the program millage limit established in section 15607 times the state valuation of the municipalities in the administrative unit, whichever is less.

(1) The program millage limit shall be the mills derived by dividing 40% of the program costs adjusted as defined in section 15603, subsection 5, by the state valuation of all municipalities.

(2) The local share percentage of program costs shall be the proportion that the local share of the allocation for program cost is to the maximum program cost allocation. The state share percentage of program costs shall be the proportion that the state share of the allocation for program cost is to the maximum program cost allocation.

C. The local share percentage of foundation costs shall be the proportion that the local share of the allocation for foundation cost is to the maximum foundation cost allocation. The state share percentage of foundation costs shall be the proportion that the state share of the allocation for foundation cost is to the maximum foundation cost allocation.

D. The local share percentage of the total allocation for education shall be the proportion that the local share of the total allocation for education is to the maximum total allocation for education. The state share percentage of the total allocation for education shall be the proportion that the state share of the total allocation for education is to the maximum total allocation for education.

Sec. 8. 20-A MRSA §15611, as enacted by PL 1983, c. 859, Pt. G, §§2 and 4, is amended to read:

§15611. Computation of local and state shares for debt service

1. Local share. The commissioner shall compute the local share of allocation for debt service for each unit as follows.

A. The local share of allocation for debt service shall be the product of the debt service allocation multiplied by the percentage local share determined in section 15609 or the debt service millage limit established in section 15607 times the state valuation of the municipalities in the administrative units, whichever is less.

(1) The debt service millage limit shall be the mills derived by dividing 45% of the debt service costs as defined in section 15603, subsection 8, by the state valuation of all municipalities.

(2) The local share percentage of debt service costs shall be the proportion that the local share of the allocation for debt service cost is to the maximum debt service cost allocation.

2. State share. The state share of allocation for debt service shall be the difference between the local share of allocation for debt service and the debt service costs in section 15603, subsection 8. The state share percentage of debt service costs shall be the proportion that the state share of the allocation for debt service cost is to the maximum program cost allocation.

Sec. 9. 20-A MRSA §15613, sub-§§10 and 11, as enacted by PL 1983, c. 859, Pt. G, §§2 and 4, are repealed.

Sec. 10. 20-A MRSA §15613, sub-§§12 and 13 are enacted to read:

12. Hold harmless to maximize subsidy stability. Effective in 1988-89, each school administrative unit shall be guaranteed a minimum state allocation for operating costs that is 90% of that unit's state allocation for operating costs during the previous year. These funds shall be included as part of the school unit's total allocation as computed under this chapter and not as an adjustment to the unit's total allocation.

13. Minimum state allocation. Effective 1988-89, each school administrative unit shall be guaranteed a minimum state share of its total allocation that is determined by multiplying 5% of the foundation per pupil operating rate by the average number of resident kindergarten to grade 12 pupils, including special education tuition pupils, in the unit on April 1st and October 1st of the calendar year immediately prior to the year of allocation. These funds shall be included as part of the school unit's total allocation as computed under this chapter and not as an adjustment to the unit's total allocation.

Sec. 11. Review of school funding. There is created the Special Commission to Study School Funding and State Tax Law.

1. Membership. The special commission shall consist of 17 members as follows: Six Legislators appointed on a bipartisan basis, 2 members of the Senate appointed by the President of the Senate and 4 members of the House of Representatives appointed by the Speaker of the House, at least 2 shall be members of the Joint Standing Committee on Education and at least 2 shall be members of the Joint Standing Committee on Taxation; 2 representatives of the Department of Educational and Cultural Services chosen by the commissioner of that department; one representative of the Bureau of Taxation appointed by the Commissioner of Finance; one representative of the Governor appointed by the Gover-

nor; one member of the State Board of Education appointed by the state board; one representative of the Maine School Boards Association appointed by that association; one representative of the Maine School Superintendents Association appointed by that association; one representative of the Maine Teachers Association appointed by that association; one representative of the Maine Municipal Association appointed by that association; 2 public members, one appointed by the Governor and one appointed jointly by the President of the Senate and the Speaker of the House. All appointments to the special commission shall be made within 45 days of the effective date of this Act and notice given to the Executive Director of the Legislative Council and the Governor. One of the legislative members shall be designated by the Speaker of the House and the President of the Senate to chair the commission. One of the members representing the Department of Educational and Cultural Services shall serve as one cochairman and shall be designated as such at the time of appointment by the commissioner. The special commission shall select a 2nd cochairman from among the 2 public members.

2. Duties. The special commission shall conduct a review and analysis of the School Finance Act of 1985 and related property tax law. The purpose of that review shall be to:

- A. Review the history of school funding in Maine with an analysis of the causes and implications of changes in the formula over time;
- B. Review how the school funding formula works, including achieving equalization of educational opportunity and taxpayer equity;
- C. Perform a statistical analysis of how well the present formula performs and review that analysis to determine policy implications of various courses of action to modify the formula;
- D. Review the trends in statewide property valuation and tax rates imposed;
- E. Conduct and analyze the results of a case study of a carefully selected, representative group of school units to determine the level of local support for education and to assess the difficulties encountered at the local level to raise sufficient funds to support education;
- F. Determine recommended modifications to the School Finance Act of 1985 or state tax laws;
- G. Develop a series of workshops and briefings primarily for Legislators on the background and development of the school finance formula, how it works and policy issues related to recommendations of the special commission;
- H. Develop a handbook for Legislators and lay people to supplement existing materials on how the school finance formula works;

- I. Examine other issues determined necessary and appropriate by the special commission; and
- J. Complete the study by December 6, 1988, and report to the Governor and the First Regular Session of the 114th Legislature.

3. Staff. The Department of Educational and Cultural Services and the Legislative Council shall provide staff assistance to the special commission. The Bureau of Taxation shall provide special staff assistance upon request of the special commission.

4. Expenses. Legislative members of the special commission shall be paid legislative per diem. All members shall be reimbursed for their expenses reasonably incurred in performing their duties required by this Act. Departmental expenses and expenses of executive branch members shall not be paid from the budget of the special commission.

Sec. 12. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.

	<u>1987-88</u>	<u>1988-89</u>
<u>LEGISLATURE</u>		
Special Commission to Study School Funding and State Tax Law		
Personal Services	\$330	\$ 2,310
All Other	650	11,850
Total	\$980	\$14,160
Provides funds for the per diem, travel and related expenses of the special commission.		

Emergency clause. In view of the emergency cited in the preamble, this Act shall take effect July 1, 1988.

Effective July 1, 1988.

CHAPTER 849

H.P. 1565 — L.D. 2132

AN ACT to Regulate the Use of Oxen, Pony and Draft Horse Competitions.

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

Whereas, there have been problems with treatment of animals in pulling events; and

Whereas, it is necessary to take action well before the summer fair season begins in Maine; and