

# MAINE STATE LEGISLATURE

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**LAWS**  
**OF THE**  
**STATE OF MAINE**

**AS PASSED BY THE**

**ONE HUNDRED AND TWENTIETH LEGISLATURE**

**FIRST SPECIAL SESSION**  
**November 13, 2002 to November 14, 2002**

**ONE HUNDRED AND TWENTY-FIRST LEGISLATURE**

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

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**Penmor Lithographers**  
**Lewiston, Maine**  
**2003**

## CHAPTER 504

S.P. 575 - L.D. 1623

**An Act To Implement School  
Funding Based on Essential  
Programs and Services**

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

## PART A

**Sec. A-1. 20-A MRSA §15652, sub-§6**, as enacted by PL 1995, c. 368, Pt. Z, §1 and affected by §2, is amended to read:

**6. Property fiscal capacity.** "Property fiscal capacity" means the lesser of the average of the state valuation amounts for the 2 most recent years prior to the year of funding ~~or~~ and the state valuation amount for the most recent year, except that for fiscal year 2004-05 "property fiscal capacity" means the lesser of the average of the state valuation amounts for the 3 most recent years prior to the year of funding and the state valuation amount for the most recent year.

**Sec. A-2. 20-A MRSA §15656, sub-§1**, as enacted by PL 1999, c. 401, Pt. GG, §8, is amended to read:

**1. Pupil count used for operating costs.** The resident pupil count used for operating costs in this chapter is the greater of the average of the 2 census counts for the most recent calendar year and the average of the 4 census counts for the 2 most recent calendar years, except that for fiscal year 2004-05 the resident pupil count used for operating costs in this chapter is the greater of the average of the 2 census counts for the most recent calendar year and the average of the 6 census counts for the 3 most recent calendar years.

A. The 2 census counts in each calendar year must be for April 1st and October 1st.

B. As an exception, only the 2 census counts in the most recent calendar year may be used for:

- (1) Kindergarten to grade 8 students for units that send all their kindergarten to grade 8 students as tuition students to schools elsewhere in the State;
- (2) Grade 9 to grade 12 students for units that send all their grade 9 to grade 12 students as tuition students to schools elsewhere in the State; and
- (3) Kindergarten to grade 12 students for units that send all their kindergarten to

grade 12 students as tuition students to schools elsewhere in the State.

**Sec. A-3. 20-A MRSA §15660** is enacted to read:

**§15660. Repeal**

This chapter is repealed July 1, 2005.

**Sec. A-4. 20-A MRSA §15670** is enacted to read:

**§15670. Short title**

This chapter may be known and cited as "the Essential Programs and Services Funding Act."

**Sec. A-5. 20-A MRSA §15671, sub-§7** is enacted to read:

**7. Transition; annual targets.** To achieve the system of school funding based on essential programs and services required by this section, the following annual targets are established.

A. The annual targets for the essential programs and services transition percentage, excluding program cost allocation, debt service allocation and adjustments, are as follows.

- (1) For fiscal year 2005-06, the target is 84%.
- (2) For fiscal year 2006-07, the target is 88%.
- (3) For fiscal year 2007-08, the target is 92%.
- (4) For fiscal year 2008-09, the target is 96%.
- (5) For fiscal year 2009-10 and succeeding years, the target is 100%.

B. The annual targets for the state share percentage are as follows.

- (1) For fiscal year 2005-06, the target is 49%.
- (2) For fiscal year 2006-07, the target is 49.25%.
- (3) For fiscal year 2007-08, the target is 49.50%.
- (4) For fiscal year 2008-09, the target is 49.75%.
- (5) For fiscal year 2009-10 and succeeding years, the target is 50%.

**Sec. A-6. 20-A MRSA §§15672 to 15687** are enacted to read:

**§15672. Definitions**

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.

**1. Allocation year.** "Allocation year" means the year that subsidy is distributed to school administrative units.

**2. Clerical staff.** "Clerical staff" means full-time public school secretaries, as documented in the department's database.

**3. Economically disadvantaged students.** "Economically disadvantaged students" means students who are included in the department's count of students who are eligible for free or reduced-price meals or free milk or both.

**4. Education technician.** "Education technician" means a full-time public teacher aide or education technician I, associate teacher or education technician II or assistant teacher or education technician III but not a special education technician I, II or III, as documented in the department's database.

**5. Elementary free or reduced-price meals percentage.** "Elementary free or reduced-price meals percentage" means the percentage, as determined by the commissioner, that reflects either:

A. The actual percentage of elementary students in a school administrative unit who are eligible to receive free or reduced-price meals or free milk or both; or

B. The commissioner's estimated percentage of elementary students in a school administrative unit who are eligible to receive free or reduced-price meals or free milk or both.

**6. Elementary grades.** "Elementary grades" means kindergarten to grade 8 and includes children enrolled in early kindergarten programs and 4-year-old children enrolled in a 2-year childhood education program prior to grade one.

**7. Elementary school level.** "Elementary school level" means the grades from kindergarten to grade 5 and includes early kindergarten programs and 2-year childhood education programs enrolling 4-year-old children prior to grade one.

**8. Essential programs and services.** "Essential programs and services" means those educational resources that are identified in this chapter that enable all students to meet the standards in the 8 content

standard subject areas of the system of learning results established in chapter 222.

**9. Essential programs and services transition percentage.** "Essential programs and services transition percentage" means the full estimated cost for all essential programs and services for that fiscal year that will be funded by a state contribution or by a required local contribution.

**10. Grade 9 to 12 portion.** "Grade 9 to 12 portion" means those pupils in the secondary grades or high school level.

**11. Guidance staff.** "Guidance staff" means full-time public guidance counselors, directors of guidance or school social workers, as documented in the department's database.

**12. Health staff.** "Health staff" means full-time public school nurses, as documented in the department's database.

**13. High school level.** "High school level" means grade 9 to grade 12.

**14. Income weight.** "Income weight" means a value between zero and one that is used to adjust a municipality's ratio of local median household income to the statewide median household income. The income weight plus the property weight, as defined in subsection 24, must total one.

**15. Kindergarten to grade 8 portion.** "Kindergarten to grade 8 portion" means those pupils in the elementary grades or a combination of the elementary school level and middle school level.

**16. Kindergarten to grade 2 student.** "Kindergarten to grade 2 student" means a student in any grade from prekindergarten to grade 2 who is at least 5 years old on October 15th of the school year.

**17. Librarian.** "Librarian" means a full-time public librarian or media specialist, as documented in the department's database.

**18. Limited English proficiency student.** "Limited English proficiency student" means a student who was not born in the United States or whose native language is a language other than English and who satisfies the definition of a limited English proficient student under the federal No Child Left Behind Act of 2001, 20 United States Code, Chapter 70.

**19. Media assistant.** "Media assistant" means a full-time public librarian aide or library technician I, librarian assistant or library technician II or librarian associate or library technician III, as documented in the department's database.

**20. Middle school level.** "Middle school level" means grade 6 to grade 8.

**21. Municipality.** "Municipality" means a city, town or organized plantation.

**22. Per-pupil guarantee.** "Per-pupil guarantee" means the total amount of funds that is made available for each subsidizable pupil representing the following cost components:

- A. Salary and benefit costs for school level teaching staff;
- B. Salary and benefit costs for other identified school level staff;
- C. Designated costs for substitute teachers; and
- D. Identified nonstaffing costs.

**23. Property fiscal capacity.** "Property fiscal capacity" means the lesser of the average of the state valuation amounts for the 3 most recent years prior to the year of funding and the state valuation amount for the most recent year.

**24. Property weight.** "Property weight" means a value between zero and one that is used to adjust a municipality's ratio of local per-pupil property fiscal capacity to the statewide per-pupil property fiscal capacity. The income weight, as defined in subsection 14, plus the property weight must total one.

**25. School administrative staff.** "School administrative staff" means full-time public school principals and assistant principals, as documented in the department's database.

**26. School administrative unit's local contribution to per-pupil guarantee.** "School administrative unit's local contribution to the per-pupil guarantee" means the funds that a school administrative unit provides for each subsidizable pupil who resides in that unit.

**27. School administrative unit's state contribution to per-pupil guarantee.** "School administrative unit's state contribution to the per-pupil guarantee" means the funds that the State provides to a school administrative unit for each subsidizable pupil who resides in that unit.

**28. School level.** "School level" means elementary level, middle school level and high school level.

**29. School level teaching staff.** "School level teaching staff" means full-time public classroom teachers, itinerant classroom teachers and special teachers of reading or literacy specialists excluding

special education teachers and vocational education teachers, as documented in the department's database.

**30. Secondary grades.** "Secondary grades" means grade 9 to grade 12.

**31. State share percentage.** "State share percentage" means the percentage of the sum of the following amounts that is provided by a state appropriation:

- A. Operating costs total allocation, as described in section 15683;
- B. Program costs allocation, as described in section 15608, subsection 2;
- C. Allocations for debt service costs, as defined in section 15603, subsection 8; and
- D. Allocations for all adjustments and miscellaneous costs authorized pursuant to sections 15612 and 15613.

**32. Subsidizable pupils.** "Subsidizable pupils" means all school level pupils who reside in a school administrative unit and who are educated at public expense.

**33. Year of funding.** "Year of funding" means the fiscal year during which state subsidies are disbursed to school administrative units, except as specified in section 15005, subsection 1.

#### **§15673. Relationship to School Finance Act of 1985**

The provisions of chapter 606 apply except as described in this section.

**1. Operating costs mill rate.** The operating costs mill rate, as described in chapter 606, is in effect for the limited purposes of determining the state and local shares of each school administrative unit's program costs allocation and its debt service allocation and for determining the amount required to provide the total state share of the operating allocation under this Act. For each individual school administrative unit, the amounts described in section 15681 are used rather than the amounts in section 15608, subsection 1; section 15609, subsection 1, paragraph A; or section 15610, subsection 1, paragraph A.

#### **§15674. Pupil counts**

**1. Pupil counts used for determination of operating costs.** In addition to the additional weighted counts authorized under section 15675 and except as provided in subsection 2, the pupil count used for operating costs in this Act is the sum of:

- A. The average number of secondary school-age persons enrolled in an adult education course

counted during the most recent calendar year counted pursuant to section 8605, subsection 2;

B. The average number of students in equivalent instruction programs during the most recent calendar year, as reported pursuant to section 5021, subsection 8; and

C. The greater of:

(1) The average of the 2 pupil counts for April 1st and October 1st of the most recent calendar year prior to the year of funding, reported in accordance with section 6004, including the counts of students enrolled in an alternative program made in accordance with section 5104-A; and

(2) The average of the 6 pupil counts for April 1st and October 1st of the 3 most recent calendar years prior to the year of funding, reported in accordance with section 6004, including the counts of students enrolled in an alternative program and counted in accordance with section 5104-A.

**2. Exception.** Notwithstanding subsection 1, paragraph C, the pupil count identified in subsection 1, paragraph C, subparagraph (1) must be used for:

A. Elementary school level and middle school level students for school administrative units that send all their elementary school level and middle school level students as tuition students to schools elsewhere in the State;

B. High school level students for school administrative units that send all their high school level students as tuition students to schools elsewhere in the State; and

C. School level students for school administrative units that send all their school level students to schools elsewhere in the State.

#### **§15675. Specialized student populations; additional weights**

For the purpose of calculating the total operating allocation under this chapter pursuant to section 15683, the following additional weights must be added to the per-pupil count calculated under section 15674, subsection 1, paragraph C, subparagraph (1).

**1. Limited English proficiency students.** The additional weights for school administrative units with limited English proficiency students are as follows:

A. For a school administrative unit with 15 or fewer limited English proficiency students, the unit receives an additional weight of .50 per student;

B. For a school administrative unit with more than 15 and fewer than 251 limited English proficiency students, the unit receives an additional weight of .30 per student; and

C. For a school administrative unit with 251 or more limited English proficiency students, the unit receives an additional weight of .60 per student.

**2. Economically disadvantaged students.** For each economically disadvantaged student, a school administrative unit receives an additional weight of .15. The number of economically disadvantaged students for each unit is determined by multiplying the number of resident pupils in the most recent calendar year by the most recent available elementary free or reduced-price meals percentage. The elementary free or reduced-price meals percentage may be applied to determine the number of economically disadvantaged students in the unit's secondary grades.

**3. Kindergarten to grade 2 students.** If a school administrative unit is eligible to receive targeted funds for its kindergarten to grade 2 program under section 15681, then for each kindergarten to grade 2 student, the unit receives an additional weight of .10.

A. For purposes of the additional weight under this subsection, the count of kindergarten to grade 2 students is calculated based on the number of resident pupils in the most recent calendar year.

B. Only school administrative units with a kindergarten to grade 2 program approved by the department are eligible for funds pursuant to this subsection or other comparable index.

C. Funds provided pursuant to this subsection may be expended only on behalf of kindergarten to grade 2 students.

#### **§15676. Per-pupil guarantee**

For each school administrative unit, the commissioner shall calculate the unit's per-pupil guarantee for each year as the sum of:

**1. Teaching staff costs.** The salary and benefit costs for school level teaching staff that are necessary to carry out this Act, calculated in accordance with section 15678;

**2. Other staff costs.** The salary and benefit costs for school-level staff who are not teachers, but including substitute teachers, that are necessary to carry out this Act, calculated in accordance with section 15679; and

**3. Additional costs.** The per-pupil amounts not related to staffing, calculated in accordance with section 15680.

#### **§15677. Salary matrix**

**1. Salary matrix defined.** For purposes of this section, "salary matrix" means the relationships on a statewide basis between average staff salaries and:

- A. Years of staff experience; and
- B. Levels of staff education.

**2. Determination of matrix.** The salary matrix must be determined in accordance with the following.

A. For fiscal year 2005-06, the commissioner, using information provided by a statewide education policy research institute, shall establish the salary matrix based on the most recently available relevant data and appropriate trends in the Consumer Price Index or other comparable index.

B. For fiscal year 2006-07 and each subsequent year, the commissioner shall update the previous year's salary matrix to reflect appropriate trends in the Consumer Price Index or other comparable index.

#### **§15678. Calculation of salary and benefit costs; school level teaching staff**

**1. Salary and benefit costs; teaching positions.** The commissioner shall annually determine, for each school administrative unit, the salary and benefit costs of all school level teaching positions that are necessary to carry out this Act.

**2. Ratios.** In calculating the salary and benefit costs pursuant to this section, the commissioner shall utilize the following student-to-teacher ratios.

- A. For the elementary school level, the student-to-teacher ratio is 17:1.
- B. For the middle school level, the student-to-teacher ratio is 16:1.
- C. For the high school level, the student-to-teacher ratio is 15:1.

**3. Number of teaching positions required.** The commissioner shall identify for each school administrative unit, using the pupil count arrived at under section 15674, subsection 1, paragraph C, subparagraph (1), the number of school level teaching positions that are required in order to achieve the student-to-teacher ratios set forth in subsection 2.

**4. Estimated salary costs.** The commissioner shall determine the estimated salary cost for the number of school level teaching positions required under subsection 3. In order to calculate this amount, the commissioner shall use the salary matrix pursuant to section 15677 for all school level teaching positions in each category.

**5. Total salary and benefit costs for school level teaching staff.** The total salary and benefit costs for school level teaching staff are equal to the sum of:

- A. The amount identified pursuant to subsection 4; and
- B. The amount, as determined by the commissioner, that equals the statewide percentage of salary costs that represents the statewide benefit costs.

#### **§15679. Calculation of salary and benefit costs; other school level staff**

**1. Salary and benefit costs; other school level positions.** The commissioner shall annually determine, for each school administrative unit, the salary and benefit costs of all school level positions other than teaching positions, referred to in this section as "staff," that are necessary to carry out this Act.

**2. Students-to-staff ratios.** In calculating the salary and benefit costs pursuant to this section, the commissioner shall utilize the following student-to-staff ratios.

A. For the elementary school level and the middle school level:

- (1) The student-to-education technician ratio is 100:1;
- (2) The student-to-guidance staff ratio is 350:1;
- (3) The student-to-librarian ratio is 800:1;
- (4) The student-to-media assistant ratio is 500:1;
- (5) The student-to-health staff ratio is 800:1;
- (6) The student-to-school administrative staff ratio is 305:1; and
- (7) The student-to-clerical staff ratio is 200:1.

B. For the high school level:

- (1) The student-to-education technician ratio is 250:1;

(2) The student-to-guidance staff ratio is 250:1;

(3) The student-to-librarian ratio is 800:1;

(4) The student-to-media assistant ratio is 500:1;

(5) The student-to-health staff ratio is 800:1;

(6) The student-to-school administrative staff ratio is 315:1; and

(7) The student-to-clerical staff ratio is 200:1.

**3. Number of staff positions required.** The commissioner shall identify for each school administrative unit, using the pupil count arrived at under section 15674, subsection 1, paragraph C, subparagraph (1), the number of staff positions that are required in order to achieve the student-to-staff ratios set forth in subsection 2.

**4. Estimated salary costs.** The commissioner shall determine the estimated salary costs for the number of staff positions required under subsection 3. In order to calculate this amount, the commissioner, where appropriate, shall use the salary matrix pursuant to section 15677 for all staff positions in each category.

**5. Salary costs for substitute teachers.** The commissioner shall calculate the additional salary costs for substitute teachers for each school administrative unit using the pupil count arrived at under section 15674, subsection 1, paragraph C, subparagraph (1). In order to calculate this amount, the commissioner shall establish a per-pupil rate for the cost of a substitute teacher for 1/2 day.

**6. Total salary and benefit costs for staff.** The total salary and benefit costs for staff is equal to the sum of:

A. The estimated salary costs determined pursuant to subsection 4;

B. The amount, as determined by the commissioner, that equals the statewide percentage of estimated salary costs determined pursuant to subsection 4 that represents the statewide benefit costs; and

C. The substitute teacher salary costs determined pursuant to subsection 5.

#### **§15680. Per-pupil amounts not related to staffing**

**1. Additional cost components.** The commissioner shall calculate one set of per-pupil amounts for

each of the following cost categories to be applied to the elementary school level and middle school level and shall calculate another set of per-pupil amounts for each of the following cost categories to be applied to the high school level:

A. System administration. The per-pupil amount for "system administration" is the actual system administration expenditures, as defined in the State's accounting handbook for local school systems, for the most recent year available excluding expenditures for leases and the purchase of land and buildings, less revenues to system administration for services to other governments and refunds from a statewide school management association, divided by the average October and April enrollment counts for that fiscal year and then inflated to an estimated allocation year level by a 10-year average increase in the Consumer Price Index or other comparable index;

B. Operation and maintenance of plant. The per-pupil amount for "operation and maintenance of plant" is the actual operation and maintenance of plant expenditures, as defined in the State's accounting handbook for local school systems, for the most recent year available excluding expenditures for leases and the purchase of land and buildings, divided by the average October and April enrollment counts for that fiscal year and then inflated to an estimated allocation year level by a 10-year average increase in the Consumer Price Index or other comparable index;

C. Supplies and equipment;

D. Cocurricular and extracurricular activities;

E. Professional development; and

F. Instructional leadership support.

**2. Fiscal year 2005-06.** For fiscal year 2005-06, the commissioner shall submit the per-pupil amounts for additional cost components under subsection 1 to the state board for approval.

**3. Fiscal year 2006-07 and beyond.** For fiscal year 2006-07 and for each subsequent year, the commissioner shall recalculate the per-pupil amounts for additional cost components under subsection 1 using the amounts approved by the state board under subsection 2 as a base and appropriate trends in the Consumer Price Index or other comparable index.

**4. Review; approval.** Beginning in fiscal year 2006-07, and at least every 2 years thereafter, the commissioner, using information provided by a statewide education policy research institute, shall review the essential programs and services compo-



nents under this Act and shall submit any recommended changes to the state board for approval.

### **§15681. Targeted funds**

**1. Eligibility.** In order for a school administrative unit to receive targeted funds under this section, the school administrative unit must meet the following eligibility criteria.

A. To receive targeted student assessment funds calculated pursuant to subsection 2, a school administrative unit must be in compliance with applicable state statutes and department rules regarding local assessment systems for the system of learning results established in section 6209 and be in compliance with applicable federal statutes and regulations pertaining to student assessment as required by the federal No Child Left Behind Act of 2001, 20 United States Code, Chapter 70.

B. To receive targeted technology resource funds calculated pursuant to subsection 3, a school administrative unit must be in compliance with the technology components of the unit's comprehensive education plan as required under section 4502, subsection 1.

C. To receive targeted kindergarten to grade 2 funds calculated pursuant to subsection 4, the school administrative unit must be in compliance with any applicable reporting requirements for local early childhood programs.

**2. Targeted student assessment funds.** For targeted student assessment funds, the commissioner shall calculate one amount that may be made available to the elementary school level and middle school level and another amount that may be made available to the high school level in accordance with the following.

A. For fiscal year 2005-06, the commissioner shall establish a per-pupil amount for targeted student assessment funds.

B. For fiscal year 2006-07 and each subsequent year, the commissioner shall recalculate the per-pupil amount by using the amount calculated under paragraph A as a base and appropriate trends in the Consumer Price Index or other comparable index.

**3. Targeted technology resource funds.** For targeted technology resource funds, the commissioner shall calculate one amount that may be made available to the elementary school level and middle school level and another amount that may be made available to the high school level in accordance with the following.

A. For fiscal year 2005-06, the commissioner shall establish a per-pupil amount for targeted technology resource funds.

B. For fiscal year 2006-07 and each subsequent year, the commissioner shall recalculate the per-pupil amount by using the amount calculated under paragraph A as a base and appropriate trends in the Consumer Price Index or other comparable index.

**4. Kindergarten to grade 2 funds.** For targeted kindergarten to grade 2 funds, the commissioner shall calculate the amount that may be made available to eligible school administrative units as follows.

A. For fiscal year 2005-06, the amount equals the product of the per-pupil guarantee calculated pursuant to section 15676 multiplied by the additional weight calculated pursuant to section 15675, subsection 3.

B. For fiscal year 2006-07 and each subsequent year, the commissioner shall recalculate the amount by using the amount calculated under paragraph A as a base and appropriate trends in the Consumer Price Index or other comparable index.

**5. Review; approval.** Beginning in fiscal year 2006-07, and at least every 2 years thereafter, the commissioner, using information provided by a statewide education policy research institute, shall review the targeted amounts under this section and shall submit any recommended changes to the state board for approval.

### **§15682. Regional adjustment**

The commissioner shall make a regional adjustment in the total operating allocation for each school administrative unit determined pursuant to section 15683. The regional adjustment must be based on the regional differences in teacher salary costs within labor market areas in the State, as computed by a statewide education policy research institute, and must be applied only to appropriate teacher salary and benefits costs as calculated under section 15678. Beginning in fiscal year 2006-07, and at least every 2 years thereafter, the commissioner, using information provided by a statewide education policy research institute, shall review the regional adjustment amounts under this section and shall submit any recommended changes to the state board for approval.

### **§15683. Total operating allocation**

For each school administrative unit, that unit's total operating allocation is the base total set forth in subsection 1 as adjusted in accordance with subsection 2.

**1. Base total.** The base total of a school administrative unit's total operating allocation is the sum of:

A. The product of the school administrative unit's kindergarten to grade 8 per-pupil guarantee multiplied by the total of the kindergarten to grade 8 portions of the following pupil counts:

(1) The pupil count set forth in section 15674, subsection 1, paragraph C;

(2) The additional weight for limited English proficiency students calculated pursuant to section 15675, subsection 1; and

(3) The additional weight for economically disadvantaged students calculated pursuant to section 15675, subsection 2;

B. The product of the school administrative unit's grade 9 to 12 per-pupil guarantee multiplied by the total of the grade 9 to 12 portion of the following pupil counts:

(1) The pupil count set forth in section 15674, subsection 1, paragraphs A, B and C;

(2) The additional weight for limited English proficiency students calculated pursuant to section 15675, subsection 1; and

(3) The additional weight for economically disadvantaged students calculated pursuant to section 15675, subsection 2;

C. If the school administrative unit is eligible for targeted student assessment funds pursuant to section 15681, subsection 1, the sum of:

(1) The product of the elementary school level and middle school level per-pupil amount for targeted student assessment funds calculated pursuant to section 15681, subsection 2 multiplied by the kindergarten to grade 8 portion of the pupil count calculated pursuant to section 15674, subsection 1, paragraph C, subparagraph (1); and

(2) The product of the high school level per-pupil amount for targeted student assessment funds calculated pursuant to section 15681, subsection 2 multiplied by the grade 9 to 12 portion of the pupil count calculated pursuant to section 15674, subsection 1, paragraph C, subparagraph (1);

D. If the school administrative unit is eligible for targeted technology resource funds pursuant to section 15681, subsection 1, the sum of:

(1) The product of the elementary school level and middle school level per-pupil amount for targeted technology resource funds calculated pursuant to section 15681, subsection 3 multiplied by the kindergarten to grade 8 portion of the pupil count calculated pursuant to section 15674, subsection 1, paragraph C, subparagraph (1); and

(2) The product of the high school level per-pupil amount for targeted technology resource funds calculated pursuant to section 15681, subsection 3 multiplied by the grade 9 to 12 portion of the pupil count calculated pursuant to section 15674, subsection 1, paragraph C, subparagraph (1); and

E. If the school administrative unit is eligible for targeted kindergarten to grade 2 funds pursuant to section 15681, subsection 1, the product of the per-pupil guarantee multiplied by the additional weight for kindergarten to grade 2 calculated pursuant to section 15675, subsection 3.

**2. Adjustments.** The base total calculated pursuant to subsection 1 must be adjusted as follows.

A. The base total calculated pursuant to subsection 1 must be reduced by the amount of all funds received by the school administrative unit under Title I of the federal Elementary and Secondary Education Act of 1965, 20 United States Code, Section 6301 et seq. during the most recent fiscal year.

B. The amount calculated pursuant to paragraph A must be adjusted by the regional adjustment pursuant to section 15682.

C. The amount calculated pursuant to paragraph B must be multiplied by the essential programs and services transition percentage for the appropriate year in accordance with section 15671, subsection 7, paragraph A.

#### **§15684. School administrative unit contributions to total operating allocation**

**1. School administrative unit's local share percentage.** For each school administrative unit, the commissioner shall annually determine the unit's local share percentage of its total operating allocation.

A. Except as provided in paragraph B, the local share percentage of the total operating allocation is the product of:

(1) The school administrative unit's weighted relative property fiscal capacity, determined in accordance with section 15685; and

(2) A statewide adjustment factor to be established annually by the commissioner.

B. Notwithstanding paragraph A, the local share percentage for a school administrative district or a community school district is calculated as a weighted average of the local share percentages of each member municipality as if each member municipality were a separate school administrative unit. The weight for each municipality is the proportion of the district's subsidizable pupils who reside in the municipality.

C. The local share percentage for a school administrative unit in a school administrative district or a community school district may not exceed 100%. If the local share percentage calculation is performed for a municipality in accordance with paragraph B, then the local share percentage for the municipality may not exceed 100%.

## **2. School administrative unit; contribution.**

For each school administrative unit, the commissioner shall annually determine the school administrative unit's contribution in accordance with the following.

A. The school administrative unit's local contribution to the total operating allocation is the product of the amount calculated pursuant to section 15683 multiplied by the school administrative unit's local share percentage of the total operating allocation calculated pursuant to subsection 1.

B. The school administrative unit's state contribution to the total operating allocation is the amount calculated pursuant to section 15683 less the school administrative unit's local contribution to the total operating allocation calculated pursuant to paragraph A.

## **§15685. Weighted relative property fiscal capacity**

For each school administrative unit, the commissioner shall annually determine the unit's weighted relative property fiscal capacity. This determination is the result of the following steps.

1. Fiscal capacity. The local per-pupil property fiscal capacity divided by the statewide per-pupil property fiscal capacity as computed by the commissioner is multiplied by a property weight of 0.85.

2. Local median household income. The local median household income is divided by the statewide average median household income. The final result is multiplied by an income weight of 0.15. The department shall use local median household income data as estimated at the fiscal year 1997-98 level until final Federal Decennial Census figures are established

for the year 2000. The fiscal year 1997-98 estimated census figures must be adjusted so that no municipality's census figure exceeds twice the state average percentage increase from fiscal year 1996-97 to fiscal year 1997-98.

## **3. Weighted relative property fiscal capacity.**

The results of subsection 1 and subsection 2 are added and the sum represents the weighted relative property fiscal capacity.

## **§15686. Transition adjustment**

For each of the fiscal years described in section 15671, subsection 7, the commissioner shall establish a transition adjustment calculated to minimize the fiscal impact directly related to the phase-in of this Act. The amount of this adjustment must decline with each successive fiscal year, and the adjustments must end no later than fiscal year 2009-10.

## **§15687. Rules**

The commissioner shall adopt rules to implement this Act. Rules adopted pursuant to this section are major substantive rules as defined in Title 5, chapter 375, subchapter 2-A.

**Sec. A-7. Review of data.** By October 1, 2006, the Commissioner of Education, in consultation with the Maine Education Policy Research Institute, shall review data on limited English proficiency students, including the number of students in the State qualifying for limited English proficiency status and the costs attributable to English as a 2nd language programs. The commissioner shall submit the results of this review to the State Board of Education.

## **PART B**

**Sec. B-1. 5 MRSA §17154, sub-§6, ¶E,** as repealed and replaced by PL 1995, c. 471, §2, is amended to read:

E. Notwithstanding this section, the employer retirement costs related to the retirement system applicable to those teachers whose funding is provided directly or through reimbursement from private or public grants must be paid by local school systems from those funds. "Public grants" does not include state or local funds provided to school administrative units under Title 20-A, chapters 315 and 606 and 606-B.

**Sec. B-2. 20-A MRSA §15602, sub-§1,** as amended by PL 1985, c. 505, §12, is further amended to read:

**1. Contributions from General Fund.** It is the intent of the Legislature to provide at least 55% of the cost of the total allocation from General Fund revenue

sources or a percentage no less than that provided in the year prior to the year of allocation, whichever is greater.

~~The amount of the teacher recognition grants authorized in section 13503-A which are paid or deemed eligible to be paid on August 15, 1986, shall be added to the actual local operating costs expended by local units in 1986-87. The minimum amount of the cost of the total allocation from General Fund revenue sources for 1988-89 shall be increased by the total amount expended by the State in 1986-87 for teacher recognition grants in accordance with section 13503-A and block grants in accordance with section 13509. The resulting percentage shall be used to define the minimum percentage contribution from General Fund revenue sources in 1988-89 and subsequent years.~~

**Sec. B-3. 20-A MRSA §15602, sub-§4,** as enacted by PL 1989, c. 875, Pt. E, §27, is repealed.

**Sec. B-4. 20-A MRSA §15602, sub-§5,** as enacted by PL 1991, c. 528, Pt. I, §7 and affected by Pt. RRR and enacted by c. 591, Pt. I, §7, is repealed.

**Sec. B-5. 20-A MRSA §15602, sub-§6,** as enacted by PL 1991, c. 625, §1 and affected by §5, is repealed.

**Sec. B-6. 20-A MRSA §15602, sub-§7,** as renumbered by RR 1991, c. 2, §70, is repealed.

**Sec. B-7. 20-A MRSA §15602, sub-§8,** as enacted by PL 1993, c. 410, Pt. F, §5, is repealed.

**Sec. B-8. 20-A MRSA §15602, sub-§9,** as enacted by PL 1993, c. 684, §3, is repealed.

**Sec. B-9. 20-A MRSA §15602, sub-§10,** as enacted by PL 1995, c. 368, Pt. Y, §1, is repealed.

**Sec. B-10. 20-A MRSA §15602, sub-§11,** as enacted by PL 1997, c. 469, §1, is repealed.

**Sec. B-11. 20-A MRSA §15602, sub-§12,** as enacted by PL 1997, c. 643, Pt. D, §1, is repealed.

**Sec. B-12. 20-A MRSA §15602, sub-§13,** as enacted by PL 1999, c. 401, Pt. GG, §1, is repealed.

**Sec. B-13. 20-A MRSA §15602, sub-§14,** as enacted by PL 1999, c. 731, Pt. D, §1, is repealed.

**Sec. B-14. 20-A MRSA §15602, sub-§§15 and 15-A,** as enacted by PL 2001, c. 358, Pt. U, §1, are repealed.

**Sec. B-15. 20-A MRSA §15602, sub-§16,** as enacted by PL 2001, c. 559, Pt. D, §1, is repealed.

**Sec. B-16. 20-A MRSA §15603, sub-§28-A,** as enacted by PL 1999, c. 401, Pt. JJ, §1, is repealed.

**Sec. B-17. 20-A MRSA §15612, sub-§1,** as enacted by PL 1983, c. 859, Pt. G, §§2 and 4, is repealed.

**Sec. B-18. 20-A MRSA §15612, sub-§5,** as amended by PL 1995, c. 303, §1, is repealed.

**Sec. B-19. 20-A MRSA §15612, sub-§6,** as amended by PL 1989, c. 554, §1, is repealed.

**Sec. B-20. 20-A MRSA §15612, sub-§8,** as enacted by PL 1983, c. 859, Pt. K, §§6 and 7, is repealed.

**Sec. B-21. 20-A MRSA §15612, sub-§12,** as amended by PL 1989, c. 875, Pt. E, §31, is repealed.

**Sec. B-22. 20-A MRSA §15612, sub-§12-A,** as enacted by PL 1999, c. 401, Pt. JJ, §2, is repealed.

**Sec. B-23. 20-A MRSA §15612, sub-§13,** as amended by PL 1999, c. 401, Pt. JJ, §3, is further amended to read:

**13. Adjustment limitations.** The amounts of the adjustments paid to school administrative units or municipalities in subsections ~~1~~, 2, 4, ~~6~~, 7, 10, ~~and 11~~; ~~12 and 12-A~~ are limited to the amounts appropriated by the Legislature for these adjustments.

**Sec. B-24. 20-A MRSA §15612, sub-§14,** as enacted by PL 1991, c. 625, §3 and affected by §5, is repealed.

**Sec. B-25. Revisor's review; cross-references.** The Revisor of Statutes shall review the Maine Revised Statutes and include in the errors and inconsistencies bill submitted to the Second Regular Session of the 121st Legislature pursuant to Title 1, section 94 any sections necessary to correct and update any cross-references in the statutes to provisions of law repealed in this Act.

See title page for effective date.

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## CHAPTER 505

### H.P. 1088 - L.D. 1483

#### An Act To Improve the Ability of the Public Utilities Commission To Enforce State Laws, Rules and Requirements