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
STATE OF MAINE  
DEPARTMENT OF EDUCATION  
23 STATE HOUSE STATION  
AUGUSTA, ME 04333-0023

PAUL R. LEPAGE  
GOVERNOR

ROBERT G. HASSON, JR  
ACTING COMMISSIONER

**MEMORANDUM:**

TO: Honorable Paul R. LePage, Governor, State of Maine and  
Senator Langley, Representative Kornfield and Members of the Joint Standing  
Committee on Education and Cultural Affairs

FROM: Robert G. Hasson, Jr., Ed.D., Acting Commissioner 

DATE: February 16, 2017

RE: Phase 1 Report

The Commission to Reform Public Education Funding and Improve Student Performance in Maine (Blue Ribbon Commission) has completed phase 1 of its work with the unanimous adoption of this plan and looks forward to continuing to refine these recommendations this year.

# **Commission to Reform Public Education Funding and Improving Student Performance in Maine**

## **Phase I Report**

**Report to Governor Paul R. LePage**

**and the**

**Maine Legislature**

**Joint Standing Committee on Education and Cultural Affairs**

### **Commission Members**

Dr. Robert Hasson, Maine Department of Education, Acting Commissioner and Chair  
Senator Garrett P. Mason (R), Senate District 22, Senate Republican Leader  
Senator Justin L. Alford (D), Senate District 27, Senate Democratic Leader;  
Senator Troy Jackson (D), Senate District 1, Senate Democratic Leader  
Representative Sara Gideon (D), House District 48, Assistant Majority Leader  
Representative Kenneth W. Fredette (R), House District 100, House Minority Leader  
Jana F. LaPoint, Member of the Maine State Board of Education  
Talya Edlund, 2016 Maine Teacher of the Year  
J. Michael Wilhelm, Member of the Maine Charter School Commission  
Robert T. Callahan, Director of the Lewiston Regional Technical Center  
Douglas Larlee, Retired Maine Educator  
Joshua Reny, Assistant City Manager of South Portland, Maine  
Richard P. Colpitts, Superintendent of Schools for SAD 17  
James H. Page, Chancellor of the University of Maine System  
Derek P. Langhauser, President of the Maine Community College System

**February 2017**

# **Commission to Reform Public Education Funding and Improving Student Performance in Maine**

## **Phase I Report**

### **Overview**

The Commission To Reform Public Education Funding and Improve Student Performance in Maine (hereafter referred to as the Commission) was established by the 127th Maine State Legislature and enacted as Public Law, Chapter 389, LB 1641. The Commission was charged to “...identify solutions to lower the cost of education and improve student performance...” A complete copy of the enabling legislation appears in Appendix A.

In accordance with Public Law, Chapter 389, LD 1641, the Commission held a series of public meetings in 2016 in which the Commission members received information and presentations from experts on a variety of topics related to the Commission’s work. These topics included analyses of Maine’ school funding law and programs, educational expenditures, student performance, models of cooperative regional service centers, and a special education regional model, and many others. A complete list of presentations and documents submitted to the Commission appears in Appendix B.

The Commission has divided its work into two phases. Phase I (2016) has been devoted to analyzing the presentations and reports the Commission received. Based on these analyses and deliberations, the Commission has identified a series of possible recommendations for improving Maine’s education system. Phase II, to be completed in 2017, will be devoted to exploring each recommendation in more detail, including detailed cost analyses, and the identification of strategies for increasing cost efficiencies in the implementations of the recommendations.

### **Introduction**

Without question, the Commission believes Maine's educators and leaders are committed to providing all Maine’s children equal educational opportunities and access to a high quality education statewide and to helping all students achieve high academic standards.

For decades, despite relative economic disadvantage among New England peers, Maine schools were recognized nationally within the top tier for educational achievement.

While Maine schools still outperform<sup>1</sup> national averages, in recent years test scores have plateaued as achievement gains in other states have outpaced Maine's. Moreover, as we understand that the single best predictor of performance is school poverty level<sup>2</sup>, the

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<sup>1</sup> National Center for Education Statistics

<sup>2</sup> Silvernail, [2014] *Relationships Between School Poverty and Student Achievement in Maine*

Commission is concerned that achievement disparities between wealthier and poorer communities are growing as poverty rates have increased<sup>3</sup> among Maine's very youngest learners.

Compounding the challenge to communities and taxpayers, Maine schools have faced declining enrollments resulting in increasing per-pupil expenditures to maintain educational capacity.

From 2008 through 2017, the state increased its subsidy for public schools from \$981,620,338<sup>4</sup> to \$1,000,961,515<sup>5</sup>, an increase of \$19 million. Over that same period, the state also required school districts' property taxpayers to increase the local share of school spending from \$846,003,440<sup>6</sup> to \$1,079,854,324<sup>7</sup>, an increase of \$234 million.

Yet, according to the National Assessment of Educational Progress, currently only 36% of Maine's 4th graders are proficient in reading<sup>8</sup>. By 8th grade less than 35% of Maine's students are proficient in mathematics<sup>9</sup>. And while Maine has a very enviable high school graduation rate, only about half of high school graduates demonstrate proficiency in high school assessments<sup>10</sup>.

Equally of concern to members of the Blue Ribbon Commission is the widespread disparity in student performance between economically disadvantaged and advantaged students in Maine. Students in poverty consistently score 20%+ lower on Maine's statewide assessments and NAEP tests than their peers who come from more affluent homes<sup>11</sup>. In the case of SAT scores, an average student from an economically advantaged home scores higher than 80% of the students coming from homes in poverty.<sup>12</sup>

These achievement results have changed very little over the last decade, while Maine has dedicated more resources on PK-12 education. The number of PK-12 students in Maine has

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<sup>3</sup> Maine Children's Alliance [2015] *Maine Kids Count*

<sup>4</sup> 2007 Public Law Chapter 240, Section C-11: FY2008 State contribution to the total cost of funding public education from kindergarten to grade 12 pursuant to the Maine Revised Statutes, Title 20-A, section 15683, subject to statewide distributions required by law

<sup>5</sup> 2016 Public Law Chapter 390, Section C-13: FY2017 State contribution to the total cost of funding public education from kindergarten to grade 12 pursuant to the Maine Revised Statutes, Title 20-A, section 15683, subject to statewide distributions required by law

<sup>6</sup> 2007 Public Law Chapter 240, Section C-11: FY2008 Local contribution to the total cost of funding public education from kindergarten to grade 12 pursuant to the Maine Revised Statutes, Title 20-A, section 15683, subject to statewide distributions required by law

<sup>7</sup> 2016 Public Law Chapter 390, Section C-13: FY2017 Local contribution to the total cost of funding public education from kindergarten to grade 12 pursuant to the Maine Revised Statutes, Title 20-A, section 15683, subject to statewide distributions required by law

<sup>8</sup> NAEP 2016

<sup>9</sup> NAEP 2016

<sup>10</sup> Educate Maine [2015], *Education Indicator for Maine*

<sup>11</sup> NAEP 2016

<sup>12</sup> College Board [2015] SAT 2015 College Bound Seniors, State Profile Report for Maine, New York, NY

declined by over 11% in the past ten years<sup>13</sup> and per-pupil expenditures have increased by 17%, even after adjusting for inflation.<sup>14</sup> In 2014 per-pupil expenditures, Maine ranked 15th in the country.<sup>15</sup>

Clearly, Maine's education system faces significant challenges in the coming years. Maine's financial resources are limited. Funding must be directed efficiently and effectively to meet expanding statewide needs, while significant and bold improvements are needed in our education system to insure improved student achievement for all students. Accordingly, the Commission has developed a blueprint outlining a series of possible recommendations to meet these challenges.

### **Blueprint for Improving Maine's P-16 Education System**

The Commission believes the major goal for improving Maine's education system should be:

**Goal: Improve student achievement and eliminate the income achievement gap between economically disadvantaged and advantaged students through a system of education reforms and cost efficiencies.**

Achieving this goal requires: (1) multiple objectives and strategies; and (2) regional solutions where possible and appropriate.

The objectives and strategies the Blue Ribbon Commission recommends to achieve this goal are as follows:

#### **Objective 1: Improve classroom instruction at all grade levels.**

- A. Direct the exploration, investigation, and formulation of alternate proposals for statewide or regional contracts in support of improved compensation and retention of effective teachers across the state.
- B. Build on current efforts toward both improved educator effectiveness and school-level accountability systems for all schools.
- C. Develop a program of salary and benefits adjustments to recruit and retain effective teachers and leaders in hard-to-staff disciplines and schools and investigate other possible barriers to effective staffing in disadvantaged schools.
- D. Implement evidence-based professional development programs<sup>16</sup> across the state targeted to meet established standards of effective professional development.

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<sup>13</sup> Beaudoin, 9/26/2016, Trends on Maine Education Costs presentation to Commission

<sup>14</sup> Beaudoin, 9/26/2016, Trends on Maine Education Costs presentation to Commission

<sup>15</sup> US Census Bureau [2014], *Public Education Finances*

<sup>16</sup> 2014 EPS Commission page 9

**Objective 2: All students graduate high school proficient and on time through expanded access to high quality educational opportunities**

- A. Exclude federal Title I funds in the calculation of the yearly cost of education as defined by the Maine EPS funding formula.
- B. Implement evidence-based effective instructional coach programs targeted toward economic disadvantage.
- C. Expand the availability and access of extended day and summer school programs<sup>17</sup> for all students.
- D. Expand the availability and access of Career and Technical education opportunities, apprenticeships and programs for all students.
- E. Implement alternative out-of-school, community and Career and Technical education options for demonstrating academic proficiency.
- F. Expand and stabilize funding of programs for high school students to complete college level courses and programs while attending high school.

**Objective 3: All children are kindergarten ready and proficient readers by the end of 3rd grade.**

- A. Expand the availability of high quality, evidence-based early education programs<sup>18</sup> directed in support of universal access to pre-kindergarten and targeted first and foremost toward higher poverty communities.
- B. Implement 1-to-1 and/ or small group tutoring programs in early grades, specifically focused on evidence-based effective reading strategies and programs and support increased PK-3 allocation to schools based on smaller class sizes.

**Objective 4: Greater efficiency is achieved in the use of resources.**

- A. Support state funding to build capacity for efficient regional services and targeting specific school improvement programs.
- B. In support of the state's school accountability system, develop school-level performance goals, better targeted school supports, and measures of return on investments for improvement strategies.

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<sup>17</sup> 2014 EPS Commission page 7

<sup>18</sup> 2014 EPS Commission, page 5.

C. Increase and/or realign EPS allocations and GPA subsidy to provide greater support of disadvantaged students.

D. Incentivize models for regionalization of appropriate direct instructional and support services across multiple school districts and /or agencies.

E. Incentivize cooperative regional service centers with initial base funding.<sup>19</sup>

During Phase II of the Commission's work in 2017, each potential recommendation will be analyzed in terms of its feasibility and contribution to achieving the goal of the improvements. Cost analyses will be completed for each recommendation, and where appropriate, alternative models for implementing the recommendations will be developed. In accordance with the enacted legislation, a final Phase II report will be submitted in January 2018 to the Governor and the Joint Standing Committee on Education and Cultural Affairs.

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<sup>19</sup> Blue Ribbon Commission presentations on regional special education and B.O.C.E.S.



## **Appendix A**

**A copy of Public Law, Chapter 389, LD 1641**

PLEASE NOTE: Legislative Information *cannot* perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

**An Act To Establish a Commission To Reform Public Education Funding and Improve Student Performance in Maine and Make Supplemental Appropriations and Allocations for the Expenditures of the Department of Education and To Change Certain Provisions of the Law Necessary to the Proper Operations of Government for the Fiscal Year Ending June 30, 2017**

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

**Whereas,** the 90-day period may not terminate until after the beginning of the next fiscal year; and

**Whereas,** certain obligations and expenses incident to the operation of state departments and institutions will become due and payable immediately; and

**Whereas,** costs for providing public education have increased at an alarming rate despite declining student populations and without significant improvement in student outcomes, requiring immediate attention to address the underlying condition and its consequences; 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:**

**PART A**

**Sec. A-1. Commissioner of Education to convene commission.** The Commissioner of Education or the commissioner's designee, referred to in this Part as "the commissioner," shall convene, no later than May 1, 2016, a commission to reform public education funding and improve student performance in the State.

**1. Members.** The commissioner shall invite to serve as members of the commission:

A. The Governor or the Governor's designee;

B. A representative of the Department of Education, appointed by the Governor, who shall serve as chair of the commission;

C. Notwithstanding Joint Rule 353, the following 4 members of the Legislature:

(1) The member of the Legislature who is serving as the Senate Majority Leader or that leader's designee, who must be a member on the Legislative Council;

(2) The member of the Legislature who is serving as the Senate Minority Leader or that leader's designee, who must be a member on the Legislative Council;

An Act To Establish a Commission To Reform Public Education Funding and Improve Student Performance in Maine and Make Supplemental Appropriations and Allocations for the Expenditures of the Department of Education and To Change Certain Provisions of the Law Necessary to the Proper Operations of Government for the Fiscal Year Ending June 30, 2017

(3) The member of the Legislature who is serving as the House Majority Leader or that leader's designee, who must be a member on the Legislative Council; and

(4) The member of the Legislature who is serving as the House Minority Leader or that leader's designee, who must be a member on the Legislative Council;

D. A person who is serving on the State Board of Education, designated by the chair of the State Board of Education;

E. A person who was named Maine Teacher of the Year on or after January 1, 2006, designated by the Maine Education Association;

F. A person who is serving on the Maine Charter School Commission established in the Maine Revised Statutes, Title 5, section 12004-G, subsection 10-D, designated by the chair of the Maine Charter School Commission;

G. A person who is a teacher or administrator at one of the State's career and technical education centers, designated by Maine Administrators of Career and Technical Education;

H. A person designated by the Maine School Management Association;

I. The Chancellor of the University of Maine System or the chancellor's designee;

J. The President of the Maine Community College System or the president's designee; and

K. Two members of the public, appointed by the Governor, at least one of whom has prior work experience in a municipal management role.

**2. Vacancies; quorum.** In the event of a vacancy on the commission, the commissioner shall select a replacement member in the same manner as the original selection set forth in subsection 1. A quorum consists of a majority of the nonvacant seats on the commission.

**3. Meetings; duties.** The commission shall meet at least 6 times each year in 2016 and in 2017. In order to identify solutions to lower the cost of public education and improve student performance, the commission shall collect and analyze data from all public secondary and postsecondary education units in the State that receive state funding. In conducting its review and analysis, the commission may:

A. Evaluate the success and shortcomings of the current funding formula for kindergarten to grade 12 education and propose changes to improve the funding formula;

B. Identify the causes of increased per-pupil education costs and develop proposals to help local school districts contain increasing costs;

C. Examine the State's special education spending, including its impact on school administrative units, and develop proposals to ensure the State's special education spending addresses the State's needs;

D. Identify trends and disparities across the State in student performance in kindergarten to grade 12 and develop recommendations for improvement;

E. Identify best practices for integrating technology into teaching and learning and develop proposals for statewide implementation of the best practices;

An Act To Establish a Commission To Reform Public Education Funding and Improve Student Performance in Maine and Make Supplemental Appropriations and Allocations for the Expenditures of the Department of Education and To Change Certain Provisions of the Law Necessary to the Proper Operations of Government for the Fiscal Year Ending June 30, 2017

F. Review the existing laws governing the process of school administrative unit consolidation and withdrawal and identify improvements that will help lower costs and improve outcomes for school administrative units;

G. Evaluate teacher compensation throughout the State for adequacy and competitiveness and propose changes, as necessary;

H. Identify state and federal mandates for school administrative units that result in increased cost to local property tax payers and propose options for how these mandates might be addressed;

I. Assist school board and municipal leaders in identifying opportunities to leverage state or regional resources in order to reduce local costs;

J. Review the use of federal funds by school administrative units and identify challenges associated with requirements of those funding sources;

K. Examine the preparedness of students in the State to matriculate to the University of Maine System and the Maine Community College System and develop proposals to enhance the ability of public education from kindergarten to higher education to prepare students in the State for the modern workforce;

L. Evaluate the adequacy and effectiveness of state funding provided to the Maine Community College System and the University of Maine System, the financial needs of each system and each system's tuition rates in order to develop a long-term strategy for the financial sustainability of each system;

M. Identify opportunities to partner with the private sector and private philanthropic organizations to identify opportunities to access additional resources to reduce the cost of public education and improve student performance in the State; and

N. Identify and evaluate additional issues that the commission determines might reduce the cost of education and improve student performance.

**4. Staff assistance; funding.** The Department of Education shall provide necessary staffing services to the commission. Funding for the commission must be provided from existing resources of the Department of Education.

**5. Report; legislation.** By January 10, 2017 and January 10, 2018, the commissioner shall submit to the Governor and the joint standing committee of the Legislature having jurisdiction over education matters a report of the commission that includes findings and recommendations for action to reform public education funding and improve student performance in the State. Notwithstanding Joint Rule 353, upon submission of each report of the commission, the commissioner is authorized to submit to the Legislature a bill to implement the commission's recommendations.

**6. Expiration of commission.** The commission is authorized until July 31, 2018.

## PART B

An Act To Establish a Commission To Reform Public Education Funding and Improve Student Performance in Maine and Make Supplemental Appropriations and Allocations for the Expenditures of the Department of Education and To Change Certain Provisions of the Law Necessary to the Proper Operations of Government for the Fiscal Year Ending June 30, 2017

**Sec. B-1. Transfer from General Fund unappropriated surplus; general purpose aid for local schools; fiscal year 2016-17.** Notwithstanding any other provision of law, the State Controller shall transfer \$15,000,000 from the General Fund unappropriated surplus to the General Purpose Aid for Local Schools program, General Fund account within the Department of Education no later than June 30, 2017. The State Budget Officer, upon approval of the Governor, shall allot the funds in this Part to the General Purpose Aid for Local Schools program, General Fund account within the Department of Education by financial order in fiscal year 2016-17. This transfer is not considered an adjustment to appropriations.

## PART C

**Sec. C-1. 20-A MRSA §13007, sub-§2, ¶D,** as enacted by PL 2011, c. 702, §1, is amended to read:

D. Report and pay no more than \$150,000 in fiscal year 2012-13, no more than \$240,000 in fiscal year 2013-14 and no more than \$335,000 in fiscal year 2014-15 and each fiscal year thereafter from fees collected pursuant to subsection 1 to the Treasurer of State to be credited to the National Board Certification Salary Supplement Fund, Other Special Revenue Funds account within the Department of Education.

**Sec. C-2. 20-A MRSA §15671, sub-§1-A,** as amended by PL 2015, c. 267, Pt. C, §4, is further amended to read:

**1-A. State funding for kindergarten to grade 12 public education.** Beginning in fiscal year ~~2016-17~~2017-18 and in each fiscal year thereafter until the state share percentage of the total cost of funding public education from kindergarten to grade 12 reaches 55% pursuant to subsection 7, paragraph B, the State shall increase the state share percentage of the funding for the cost of essential programs and services by at least one percentage point per year over the percentage of the previous year and the department, in allocating funds, shall make this increase in funding a priority. For those fiscal years that the funding appropriated or allocated for the cost of essential programs and services is not sufficient to increase the state share percentage of the total cost of funding public education from kindergarten to grade 12 by at least one percentage point, no new programs or initiatives may be established for kindergarten to grade 12 public education within the department that would divert funds that would otherwise be distributed as general purpose aid for local schools pursuant to subsection 5.

**Sec. C-3. 20-A MRSA §15671, sub-§7, ¶B,** as amended by PL 2015, c. 267, Pt. C, §6, is further amended to read:

B. The annual targets for the state share percentage of the statewide adjusted total cost of the components of essential programs and services are as follows.

(1) For fiscal year 2005-06, the target is 52.6%.

(2) For fiscal year 2006-07, the target is 53.86%.

PUBLIC Law, Chapter 389, LD 1641, 127th Maine State Legislature  
An Act To Establish a Commission To Reform Public Education Funding and Improve Student Performance in Maine and  
Make Supplemental Appropriations and Allocations for the Expenditures of the Department of Education and To Change  
Certain Provisions of the Law Necessary to the Proper Operations of Government for the Fiscal Year Ending June 30, 2017

(3) For fiscal year 2007-08, the target is 53.51%.

(4) For fiscal year 2008-09, the target is 52.52%.

(5) For fiscal year 2009-10, the target is 48.93%.

(6) For fiscal year 2010-11, the target is 45.84%.

(7) For fiscal year 2011-12, the target is 46.02%.

(8) For fiscal year 2012-13, the target is 45.87%.

(9) For fiscal year 2013-14, the target is 47.29%.

(10) For fiscal year 2014-15, the target is 46.80%.

(11) For fiscal year 2015-16, the target is 47.54%.

(12) For fiscal year 2016-17, the target is 48.10%.

**Sec. C-4. 20-A MRSA §15671, sub-§7, ¶C**, as amended by PL 2015, c. 267, Pt. C, §7, is further amended to read:

C. Beginning in fiscal year 2011-12, the annual targets for the state share percentage of the total cost of funding public education from kindergarten to grade 12 including the cost of the components of essential programs and services plus the state contributions to teacher retirement, retired teachers' health insurance and retired teachers' life insurance are as follows.

(1) For fiscal year 2011-12, the target is 49.47%.

(2) For fiscal year 2012-13, the target is 49.35%.

(3) For fiscal year 2013-14, the target is 50.44%.

(4) For fiscal year 2014-15, the target is 50.13%.

PUBLIC Law, Chapter 389, LD 1641, 127th Maine State Legislature  
An Act To Establish a Commission To Reform Public Education Funding and Improve Student Performance in Maine and Make Supplemental Appropriations and Allocations for the Expenditures of the Department of Education and To Change Certain Provisions of the Law Necessary to the Proper Operations of Government for the Fiscal Year Ending June 30, 2017  
(5) For fiscal year 2015-16, the target is 50.08%.

(6) For fiscal year 2016-17 and succeeding years, the target is 55%50.79%.

(7) For fiscal year 2017-18 and succeeding years, the target is 55%.

**Sec. C-5. 20-A MRS §15671-A, sub-§2, ¶B**, as amended by PL 2015, c. 267, Pt. C, §8, is further amended to read:

B. For property tax years beginning on or after April 1, 2005, the commissioner shall calculate the full-value education mill rate that is required to raise the statewide total local share. The full-value education mill rate is calculated for each fiscal year by dividing the applicable statewide total local share by the applicable statewide valuation. The full-value education mill rate must decline over the period from fiscal year 2005-06 to fiscal year 2008-09 and may not exceed 9.0 mills in fiscal year 2005-06 and may not exceed 8.0 mills in fiscal year 2008-09. The full-value education mill rate must be applied according to section 15688, subsection 3-A, paragraph A to determine a municipality's local cost share expectation. Full-value education mill rates must be derived according to the following schedule.

(1) For the 2005 property tax year, the full-value education mill rate is the amount necessary to result in a 47.4% statewide total local share in fiscal year 2005-06.

(2) For the 2006 property tax year, the full-value education mill rate is the amount necessary to result in a 46.14% statewide total local share in fiscal year 2006-07.

(3) For the 2007 property tax year, the full-value education mill rate is the amount necessary to result in a 46.49% statewide total local share in fiscal year 2007-08.

(4) For the 2008 property tax year, the full-value education mill rate is the amount necessary to result in a 47.48% statewide total local share in fiscal year 2008-09.

(4-A) For the 2009 property tax year, the full-value education mill rate is the amount necessary to result in a 51.07% statewide total local share in fiscal year 2009-10.

(4-B) For the 2010 property tax year, the full-value education mill rate is the amount necessary to result in a 54.16% statewide total local share in fiscal year 2010-11.

(4-C) For the 2011 property tax year, the full-value education mill rate is the amount necessary to result in a 53.98% statewide total local share in fiscal year 2011-12.

PUBLIC Law, Chapter 389, LD 1641, 127th Maine State Legislature  
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(5) For the 2012 property tax year, the full-value education mill rate is the amount necessary to result in a 54.13% statewide total local share in fiscal year 2012-13.

(6) For the 2013 property tax year, the full-value education mill rate is the amount necessary to result in a 52.71% statewide total local share in fiscal year 2013-14.

(7) For the 2014 property tax year, the full-value education mill rate is the amount necessary to result in a 53.20% statewide total local share in fiscal year 2014-15.

(8) For the 2015 property tax year, the full-value education mill rate is the amount necessary to result in a 52.46% statewide total local share in fiscal year 2015-16.

(9) For the 2016 property tax year and subsequent tax years, the full-value education mill rate is the amount necessary to result in a ~~45%~~51.90% statewide total local share in fiscal year 2016-17 and after.

(10) For the 2017 property tax year and subsequent tax years, the full-value education mill rate is the amount necessary to result in a 45% statewide total local share in fiscal year 2017-18 and after.

**Sec. C-6. 20-A MRSA §15686-A, sub-§3**, as enacted by PL 2005, c. 519, Pt. AAAA, §12, is amended to read:

**3. Components to be reviewed beginning in fiscal years 2008-09 and 2016-17.**

Beginning in fiscal year 2008-09, and at least every 3 years thereafter, the commissioner, using information provided by a statewide education policy research institute, shall review the essential programs and services professional development, student assessment, technology, leadership support, cocurricular and extra-curricular activities and, supplies and equipment and, beginning in fiscal year 2016-17, charter school components under this chapter and shall submit to the joint standing committee of the Legislature having jurisdiction over education matters any recommended changes for legislative action.

**Sec. C-7. 20-A MRSA §15689, sub-§1, ¶B**, as amended by PL 2013, c. 368, Pt. C, §13, is further amended to read:

B. The school administrative unit's special education costs as calculated pursuant to section 15681-A, subsection 2 multiplied by the following transition percentages:

(1) In fiscal year 2005-06, 84%;

(2) In fiscal year 2006-07, 84%;



PUBLIC Law, Chapter 389, LD 1641, 127th Maine State Legislature  
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(3) In fiscal year 2007-08, 84%;

(4) In fiscal year 2008-09, 45%;

(5) In fiscal year 2009-10, 40% including funds provided under Title XIV of the State Fiscal Stabilization Fund of the American Recovery and Reinvestment Act of 2009;

(6) In fiscal year 2010-11, 35% including funds provided under Title XIV of the State Fiscal Stabilization Fund of the American Recovery and Reinvestment Act of 2009;

(7) In fiscal year 2011-12, 30%;

(8) In fiscal year 2012-13, 30%;

(9) In fiscal year 2013-14, 35%; and

(10) In fiscal year 2014-15 and succeeding-years, 30%;

(11) In fiscal year 2015-16, 30%;

(12) In fiscal year 2016-17, 30%;

(13) In fiscal year 2017-18, 35%;

(14) In fiscal year 2018-19, 40%;

(15) In fiscal year 2019-20, 45%; and

(16) In fiscal year 2020-21 and succeeding years, 50%.

**Sec. C-8. 20-A MRSA §15689-C, sub-§1**, as amended by PL 2009, c. 275, §1, is further amended to read:

An Act To Establish a Commission To Reform Public Education Funding and Improve Student Performance in Maine and Make Supplemental Appropriations and Allocations for the Expenditures of the Department of Education and To Change Certain Provisions of the Law Necessary to the Proper Operations of Government for the Fiscal Year Ending June 30, 2017

**1. Annual recommendation.** Prior to ~~December 15th~~January 20th of each fiscal year, the commissioner, with the approval of the state board, shall recommend to the Governor and the Department of Administrative and Financial Services, Bureau of the Budget the funding levels that the commissioner recommends for the purposes of this chapter. Beginning with the recommendations due in 2009, the commissioner's annual recommendations must be in the form and manner described in subsection 4.

**Sec. C-9. 20-A MRSA §15690, sub-§1, ¶C**, as amended by PL 2007, c. 539, Pt. C, §15, is further amended to read:

C. The state share of the total cost of funding public education from kindergarten to grade 12 as described in section 15688, excluding state-funded debt service for each school administrative unit, is limited to the same proportion as the local school administrative unit raises of its required contribution to the total cost of education as described in section 15688, excluding state-funded debt service costs. ~~For school administrative units that annually demonstrate savings by purchasing supplies using an electronic bidding forum, the commissioner may suspend all or a portion of any adjustment to the unit's state contribution pursuant to this paragraph.~~

**Sec. C-10. 20-A MRSA §15905, sub-§1, ¶A**, as amended by PL 2015, c. 267, Pt. C, §15, is further amended to read:

A. The state board may approve projects as long as no project approval will cause debt service costs, as defined in section 15672, subsection 2-A, paragraph A and pursuant to Resolve 2007, chapter 223, section 4, to exceed the maximum limits specified in Table 1 in subsequent fiscal years.

Fiscal year	Major Capital Maximum Debt Service Limit	Integrated, Consolidated Secondary an Maximum De
1990	\$ 48,000,000	
1991	\$ 57,000,000	
1992	\$ 65,000,000	
1993	\$ 67,000,000	
1994	\$ 67,000,000	
1995	\$ 67,000,000	
1996	\$ 67,000,000	
1997	\$ 67,000,000	
1998	\$ 67,000,000	
1999	\$ 69,000,000	
2000	\$ 72,000,000	
2001	\$ 74,000,000	
2002	\$ 74,000,000	
2003	\$ 80,000,000	
2004	\$ 80,000,000	
2005	\$ 84,000,000	
2006	\$ 90,000,000	
2007	\$ 96,000,000	
2008	\$100,000,000	
2009	\$104,000,000	
2010	\$108,000,000	

PUBLIC Law, Chapter 389, LD 1641, 127th Maine State Legislature  
 An Act To Establish a Commission To Reform Public Education Funding and Improve Student Performance in Maine and  
 Make Supplemental Appropriations and Allocations for the Expenditures of the Department of Education and To Change  
 Certain Provisions of the Law Necessary to the Proper Operations of Government for the Fiscal Year Ending June 30, 2017

2011	\$126,000,000	
2012	\$116,000,000	
2013	\$116,000,000	
2014	\$126,000,000	\$10,000,000
2015	\$126,000,000	\$10,000,000
2016	\$126,000,000	\$10,000,000
2017	\$126,000,000	\$10,000,000
<u>2018</u>	<u>\$126,000,000</u>	<u>\$10,000,000</u>
<u>2019</u>	<u>\$126,000,000</u>	<u>\$10,000,000</u>

**Sec. C-11. Mill expectation.** The mill expectation pursuant to the Maine Revised Statutes, Title 20-A, section 15671-A for fiscal year 2016-17 is 8.30.

**Sec. C-12. Total cost of funding public education from kindergarten to grade 12.** The total cost of funding public education from kindergarten to grade 12 for fiscal year 2016-17 is as follows:

	<b>2016-17 TOTAL</b>
<b>Total Operating Allocation</b>	
Total operating allocation pursuant to the Maine Revised Statutes, Title 20-A, section 15683 and total other subsidizable costs pursuant to Title 20-A, section 15681-A	\$1,882,494,984
<b>Total Debt Service Allocation</b>	
Total debt service allocation pursuant to the Maine Revised Statutes, Title 20-A, section 15683-A	\$88,428,148
<b>Enhancing Student Performance and Opportunity</b>	\$4,397,105
<b>Total Adjustments and Miscellaneous Costs</b>	
Total adjustments and miscellaneous costs pursuant to the Maine Revised Statutes, Title 20-A, sections 15689 and 15689-A	\$67,138,019
<b>Total Normal Cost of Teacher Retirement</b>	\$38,357,583
<b>Total Cost of Funding Public Education from Kindergarten to Grade 12</b>	
Total cost of funding public education from kindergarten to grade 12 for fiscal year 2016-17 pursuant to the Maine Revised Statutes, Title 20-A, chapter 606-B	\$2,080,815,839
Total cost of the state contribution to teacher retirement, teacher retirement health insurance and teacher retirement life insurance for fiscal year 2016-17 pursuant to the Maine Revised Statutes, Title 5, chapters 421 and 423 excluding the normal cost of teacher retirement	\$156,985,489
Adjustment pursuant to the Maine Revised Statutes, Title 20-A, section 15683, subsection 2	\$42,200,635
Total cost of funding public education from kindergarten to grade 12	\$2,280,001,963

An Act To Establish a Commission To Reform Public Education Funding and Improve Student Performance in Maine and Make Supplemental Appropriations and Allocations for the Expenditures of the Department of Education and To Change Certain Provisions of the Law Necessary to the Proper Operations of Government for the Fiscal Year Ending June 30, 2017

**Sec. C-13. Local and state contributions to total cost of funding public education from kindergarten to grade 12.** The local contribution and the state contribution appropriation provided for general purpose aid for local schools for the fiscal year beginning July 1, 2016 and ending June 30, 2017 is calculated as follows:

	2016-17 LOCAL	2016-17 STATE
<b>Local and State Contributions to the Total Cost of Funding Public Education from Kindergarten to Grade 12</b>		
Local and state contributions to the total cost of funding public education from kindergarten to grade 12 pursuant to the Maine Revised Statutes, Title 20-A, section 15683, subject to statewide distributions required by law	\$1,079,854,324	\$1,000,961,515
State contribution to the total cost of teacher retirement, teacher retirement health insurance and teacher retirement life insurance for fiscal year 2016-17 pursuant to the Maine Revised Statutes, Title 5, chapters 421 and 423		\$156,985,489
State contribution to the total cost of funding public education from kindergarten to grade 12		\$1,157,947,004

**Sec. C-14. Authorization of payments.** If the State's continued obligation for any individual component contained in those sections of this Part that set the total cost of funding public education from kindergarten to grade 12 and the local and state contributions for that purpose exceeds the level of funding provided for that component, any unexpended balances occurring in other programs may be applied to avoid proration of payments for any individual component. Any unexpended balances from this Part may not lapse but must be carried forward for the same purpose.

**Sec. C-15. Limit of State's obligation.** Those sections of this Part that set the total cost of funding public education from kindergarten to grade 12 and the local and state contributions for that purpose may not be construed to require the State to provide payments that exceed the appropriation of funds for general purpose aid for local schools for the fiscal year beginning July 1, 2016 and ending June 30, 2017.

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

Effective 90 days following adjournment of the 127th  
Legislature, Second Regular Session, unless otherwise indicated.

## **Appendix B**

### **List of Reports and Presentations Received by the Commission to Reform Public Education funding and Improve Student Performance in Maine**

Copies of these reports and presentations are available at:

<http://www.maine.gov/doe/blue-ribbon/>

## **Presentations and Report Received by the Commission to Reform Public Education Funding and Improve Student Performance in Maine**

Maine's State and Local Tax System

Maine's Resident 3% Surtax

Industry Structure, Jobs Projections, Education Requirements

Demographic and Economic Trends in Maine

Title 20-A Education, Maine Statute

2014-15 Mathematics and ELA Maine Assessment Results

Presentation on Cost of Education in Maine

Presentation of Education Funding Law Implementation

Trends in Maine Education Costs

Student and Staff Support Services Descriptions

Overview of Every Student Succeeds Act

Overview of Maine's Essential Programs and Services Funding Model

An independent Review of Maine's Essential Programs and Services Funding Act:  
Part I (Picus Report)

Report of the Commission to Study the Adequacy and Equity of Certain Cost  
Components of the School Funding Formula

Analysis of Picus Report on an Evaluation of Maine School Funding Program

No Time to Lose: How to Build A World-Class Education System State by State

Establishing a Fact Base for Discussing a Statewide Teachers Contract in Rhode Island

Presentation on Boards of Cooperative Education Services

Boards of Cooperative Education Services Study Example

Maine Community College System 2015-16 Fact Sheet

University of Maine 2015-16 Average Annual Tuition Growth Rates

University of Maine FY16 Unified Operating Budget & Net Operating Budget by Campus

Presentation on community college and university Early College programs