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An Act To Revise the Essential Programs and Services Funding Formula To Increase Equity in School Funding

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

Sec. 1. 20-A MRS §5815 is enacted to read:

§ 5815. Targeted technology resource funds

Notwithstanding the maximum tuition rates established under sections 5804, 5805 and 5806, the tuition payments provided to public and private elementary schools and secondary schools for each tuition student must include the per-pupil amount for targeted technology resource funds that are made available to the sending school administrative unit in accordance with section 15681.

Sec. 2. 20-A MRS §15671, first ¶, as enacted by PL 2001, c. 660, §1, is amended to read:

Essential programs and services are those educational resources that are identified in this chapter for all students to meet the standards in the 8 content standard subject areas of the system of learning results established in chapter 222. In order to achieve this system of learning results, school funding based on essential programs and services must be available in all schools on an equitable basis. Essential programs and services utilize resources ~~including federal funds~~ that are currently provided or could be adapted to implement a system of learning results, as well as additional resources that are also needed to ensure that these programs and services are available to all students. These essential programs and services must provide the basis for the system of school funding no later than 2007-08. School funding must be adequate to fully provide for all of the staffing and other material resource needs of the essential programs and services identified by the Legislature.

Sec. 3. 20-A MRS §15671, sub-§1, as amended by PL 2005, c. 2, Pt. D, §32 and affected by §§72 and 74 and c. 12, Pt. WW, §18, is further amended to read:

1. State and local partnership. The State and each local school administrative unit are jointly responsible for contributing to the cost of the components of essential programs and services described in this chapter. Except as otherwise provided in this subsection, for each fiscal year, the total cost of the components of essential programs and services may not exceed the prior fiscal year's costs multiplied by one plus the average real personal income growth rate as defined in Title 5, section 1665, subsection 1, except that in no case may that rate exceed 2.75%. For fiscal years commencing after the state tax burden ranks in the middle 1/3 of all states, as calculated and certified by the State Tax Assessor, the total cost of the components of essential programs and services may not exceed the prior fiscal year's costs multiplied by one plus the average real personal income growth rate as defined in Title 5, section 1665, subsection 1. The Legislature, by an affirmative vote of each House, may exceed the limitations on increases in the total cost of the components of essential programs and services provided in this subsection, as long as that vote is taken upon legislation stating that it is the Legislature's intent to override the limitation for

that fiscal year. The state contribution to the cost of the components of essential programs and services; ~~exclusive of federal funds that are provided and accounted for in the cost of the components of essential programs and services;~~ must be made in accordance with this subsection:

A. The level of the state share of funding attributable to the cost of the components of essential programs and services must be at least 50% of eligible state and local General Fund education costs statewide, no later than fiscal year 2006-07; and

B. By fiscal year 2008-09 the state share of the total cost of funding public education from kindergarten to grade 12, as described by essential programs and services, must be 55%. Beginning in fiscal year 2005-06 and in each fiscal year until fiscal year 2008-09, the state share of essential programs and services described costs must increase toward the 55% level required in fiscal year 2008-09.

Beginning in fiscal year 2005-06 and in each fiscal year thereafter, the commissioner shall use the funding level determined in accordance with this section as the basis for a recommended funding level for the state share of the cost of the components of essential programs and services.

Sec. 4. 20-A MRSA §15672, sub-§32-A, ¶C, as enacted by PL 2005, c. 2, Pt. D, §36 and affected by §§72 and 74 and c. 12, Pt. WW, §18, is repealed.

Sec. 5. 20-A MRSA §15676, sub-§1, as amended by PL 2005, c. 2, Pt. D, §39 and affected by §§72 and 74 and c. 12, Pt. WW, §18, is further amended to read:

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, adjusted by the regional adjustment under section 15682 ~~and reduced by the amount of funds received by the school administrative unit during the most recent fiscal year under Title 1 of the federal Elementary and Secondary Act of 1965, 20 United States Code, Section 6301 et seq.;~~

Sec. 6. 20-A MRSA §15676, sub-§2, as amended by PL 2005, c. 2, Pt. D, §39 and affected by §§72 and 74 and c. 12, Pt. WW, §18, is further amended to read:

2. Other staff costs. The salary and benefit costs for ~~school-level~~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, adjusted by the regional adjustment under section 15682 ~~and reduced by the amount of funds received by the school administrative unit during the most recent fiscal year under Title 1 of the federal Elementary and Secondary Act of 1965, 20 United States Code, Section 6301 et seq.;~~ and

Sec. 7. 20-A MRSA §15682, sub-§1 is enacted to read:

1. Regional adjustment beginning in fiscal year 2007-08. Beginning in fiscal year 2007-08, the commissioner shall make a regional adjustment according to the provisions of this subsection.

A. A school administrative unit whose labor market area teacher salary costs are computed to be 1.0 or greater, as computed by a statewide education policy research institute pursuant to this section, must receive a regional adjustment based on the regional differences in teacher salary costs.

B. A school administrative unit whose labor market area teacher salary costs are computed to be less than 1.0, as computed by a statewide education policy research institute pursuant to this section, must receive a regional adjustment that is 1.0.

Sec. 8. 20-A MRS §15682, sub-§2, is enacted to read:

2. Appeals. The commissioner shall develop an appeals procedure for the regional adjustment under subsection 1 beginning in fiscal year 2007-08.

SUMMARY

This bill provides several revisions to the Essential Programs and Services Funding Act that are designed to achieve the goals of adequacy and equity in the funding of education for kindergarten to grade 12 public schools in the State. The bill accomplishes the following.

1. It requires that the per-pupil targeted technology resource funds be paid to the school administrative unit or private school that each tuition student attends in addition to tuition rates calculated pursuant to the Maine Revised Statutes, Title 20-A, chapter 219.

2. It removes the provisions in funding formula that recognize the allocation of federal resources that are provided to school administrative units.

3. It requires that, beginning in fiscal year 2007-08, the regional adjustment to the salary and benefits costs of teachers and other school personnel that is based on labor market areas in the State must be at least 1.0 for all labor market areas in the State.