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An Act Regarding the Sharing of Educational Costs in School Administrative Units of Multiple Municipalities

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

Sec. 1. 20-A MRSA §15672, sub-§31-A, as enacted by PL 2005, c. 2, Pt. D, §36 and affected by §§72, 74 and c. 12, Pt. WW, §18, is amended to read:

31-A. State subsidy. "State subsidy" means the total of the state contribution determined under section 15688, subsection 3-A, paragraph **BB-1** and any applicable adjustment under section 15689.

Sec. 2. 20-A MRSA §15688, as amended by PL 2005, c. 2, Pt. D, §§53 to 57 and affected by §§72 and 74 and c. 12, Pt. WW, §18, is further amended to read:

§ 15688. School administrative unit contribution to total cost of funding public education from kindergarten to grade 12

1. School administrative unit; total cost. For each school administrative unit, the commissioner shall annually determine the school administrative unit's total cost of education. A school administrative unit's total cost of education must include:

- A. The school administrative unit's base total calculated pursuant to section 15683, subsection 1, adjusted pursuant to the transition targets described in section 15671, subsection 7, paragraph A;
- B. The other subsidizable costs described in section 15681-A; and
- C. The total debt service allocation described in section 15683-A.

2. Member municipalities in school administrative districts or community school districts; total costs. For each municipality that is a member of a school administrative district or community school district, the commissioner shall annually determine each municipality's total cost of education. A municipality's total cost of education is the school administrative district's or community school district's total cost of education multiplied by the percentage that the municipality's most recent calendar year average pupil count is to the school administrative district's or community school district's most recent calendar year average pupil count. This subsection is repealed July 1, 2009.

3-A. School administrative unit; contribution. For each school administrative unit, the commissioner shall annually determine the school administrative unit's required contribution, the required contribution of each municipality that is a member of the unit, if the unit has more than one member, and the State's contribution to the unit's total cost of education in accordance with the following.

- A. For a school administrative unit composed of only one municipality, the contribution of the unit and the municipality is the same and is the lesser of:

(1) The total cost described in subsection 1; and

(2) The total of the full-value education mill rate calculated in section 15671-A, subsection 2 multiplied by the property fiscal capacity of the municipality.

B. ~~For~~Until July 1, 2009, for a school administrative district or community school district composed of more than one municipality, each municipality's contribution to the total cost of education is the lesser of:

(1) The municipality's total cost as described in subsection 2; and

(2) The total of the full-value education mill rate calculated in section 15671-A, subsection 2 multiplied by the property fiscal capacity of the municipality.

This paragraph is repealed July 1, 2009.

B-1. Beginning July 1, 2009, for a school administrative district or community school district composed of more than one municipality, each municipality's contribution to the total cost of education is determined in accordance with subsection 3-B.

C. ~~For~~Until July 1, 2009, for a school administrative district or community school district composed of more than one municipality, the unit's contribution to the total cost of education is the lesser of:

(1) The total cost as described in subsection 1; and

(2) The sum of the totals calculated for each member municipality pursuant to paragraph B, subparagraph (2).

This paragraph is repealed July 1, 2009.

C-1. Beginning July 1, 2009, for a school administrative district or community school district composed of more than one municipality, the unit's contribution to the total cost of education is the lesser of:

(1) The total cost as described in subsection 1; and

(2) The sum of the totals of the full-value education mill rate calculated in section 15671-A, subsection 2 multiplied by the property fiscal capacity of each member municipality.

D. The state contribution to the school administrative unit's total cost of education is the total cost of education calculated pursuant to subsection 1 less the school administrative unit's contribution calculated pursuant to paragraph A or C, as applicable. The state contribution is subject to reduction in accordance with section 15690, subsection 1, paragraph C.

This paragraph is repealed July 1, 2009.

D-1. Beginning July 1, 2009, the state contribution to the school administrative unit's total cost of education is the total cost of education calculated pursuant to subsection 1 less the school administrative unit's contribution calculated pursuant to paragraph A or C-1, as applicable. The state contribution is subject to reduction in accordance with section 15690, subsection 1, paragraph C.

3-B. Member municipalities in school administrative districts or community school districts; contribution. Beginning July 1, 2009, for each municipality that is a member of a school administrative district or community school district, the commissioner shall annually determine each municipality's contribution to the total cost of education in accordance with this subsection. A municipality's contribution to the total cost of education must be determined by a cost-sharing formula established by the department by rule. The formula must assign each municipality its share of the unit's contribution to the total cost of education determined under subsection 3-A, paragraph C. The cost-sharing formula must establish the contribution levels in a manner that ensures that no less than 50% of the unit's contribution to the total cost of education is shared primarily on the basis of the comparative wealth of each municipality calculated at least in part using the property fiscal capacity of each municipality. The formula must also include the relative pupil counts of each member municipality and may include other factors the department determines relevant and appropriate. Rules adopted under this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

4. Method of cost sharing; exception. For the purpose of local cost sharing, the provisions of subsection 3-A do not apply to municipalities that are members of a school administrative district or a community school district whose cost sharing formula was established pursuant to private and special law prior to January 1, 2004. For each municipality that is a member of a school administrative district or a community school district whose cost sharing formula was established pursuant to private and special law prior to January 1, 2004, the cost sharing formula established pursuant to private and special law determines each municipality's local cost of education.

5. Effective date. This section takes effect July 1, 2005.

Sec. 3. Effective date. That section of this Act that amends the Maine Revised Statutes, Title 20-A, section 15672, subsection 31-A takes effect July 1, 2009.

SUMMARY

This bill changes the cost-sharing formula for municipalities in school administrative units composed of more than one municipality. Beginning July 1, 2009, each municipality's contribution to the total cost of education is determined by a cost-sharing formula established by the Department of

Education by rule. The formula must establish the contribution levels in a manner that ensures that no less than 50% of the entire unit's contribution to the total cost of education is shared primarily on the basis of the comparative wealth of each member municipality calculated at least in part by the property fiscal capacity of each municipality. The formula must also include the relative pupil counts of member municipalities and may include other factors the department determines relevant and appropriate. The department is directed to establish the details of the formula by routine technical rule.