



# 126th MAINE LEGISLATURE

LD 25

LR 273(01)

## An Act To Exclude Certain State-funded Costs from the State Share of the Total Cost of Funding Public Education

### Preliminary Fiscal Impact Statement for Original Bill

Sponsor: Rep. Mason of Topsham

Committee: Education and Cultural Affairs

Fiscal Note Required: Yes

### Preliminary Fiscal Impact Statement

	FY 2013-14	FY 2014-15	Projections FY 2015-16	Projections FY 2016-17
<b>Net Cost (Savings)</b>				
General Fund	\$66,674,722	\$82,795,312	\$86,037,714	\$89,397,045
<b>Appropriations/Allocations</b>				
General Fund	\$66,674,722	\$82,795,312	\$86,037,714	\$89,397,045
Other Special Revenue Funds	\$24,861,398	\$13,782,643	\$13,920,470	\$14,059,675

#### Fiscal Detail and Notes

Current law (Title 20-A, §15671, sub-§7-C) provides that the annual target 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 is 55% for fiscal year 2013-14 and succeeding years. This bill proposes to remove the state contributions to teacher retirement, retired teachers' health insurance and retired teachers' life insurance from the calculation of the state share percentage.

The additional cost associated with excluding the state contributions to teacher retirement, retired teachers' health insurance and retired teachers' group life insurance from the calculation of the state share percentage is estimated to be \$91,536,121 in fiscal year 2013-14 and \$96,577,955 in fiscal year 2014-15. Of these totals, the General Purpose Aid for Local Schools program within the Department of Education will require General Fund appropriations of \$66,674,722 in fiscal year 2013-14 and \$82,795,312 in fiscal year 2014-15 and Other Special Revenue Funds allocations of \$24,861,398 and \$13,782,643 in fiscal years 2013-14 and 2014-15, respectively.

This estimate assumes that sufficient funding for the General Purpose Aid for Local Schools program will be provided to meet the statutory requirement of the State funding 55% of the total cost of K-12 public education beginning in fiscal year 2013-14. The Governor's proposed budget for the 2014-2015 biennium includes changes and proposals which may affect the calculation of the total cost of K-12 public education pursuant to Title 20-A, §15671, sub-§7-C and the state's share percentage as well as the use of revenues from the State's share of income from the Oxford Casino to support a portion of the total cost of this legislation. The estimate of the fiscal impact of this bill may need to be adjusted based on final legislative actions on the biennial budget.