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
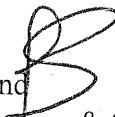
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STATE OF MAINE

ONE HUNDRED AND TWENTY-FOURTH LEGISLATURE
 COMMITTEE ON EDUCATION AND CULTURAL AFFAIRS

March 19, 2009

MEMO TO: Senator William Diamond, Senate Chair,
 Representative Emily Ann Cain, House Chair, and
 Members of the Joint Standing Committee on Appropriations & Financial Affairs

FROM: Senator Justin Alfond, Senate Chair, 
 Representative Patricia Sutherland, House Chair, and 
 Members of the Joint Standing Committee on Education & Cultural Affairs

SUBJ: **Education & Cultural Affairs Committee Report for FY 2010 - FY 2011
 Biennial Budget Bill (LD 353)**

The Joint Standing Committee on Education & Cultural Affairs is pleased to submit our budget recommendations related to the Governor's proposals for the FY 2010 and FY 2011 biennial budget bill (LD 353) related to kindergarten to grade 12 education, higher education and cultural affairs programs. Our recommendations are presented in the "EDU budget worksheets" attached, including our committee votes and any adjustments recommended at this time. We also present recommendations on the Governor's "change package" initiatives that are within the jurisdiction of the Education & Cultural Affairs Committee.

We are not able to make recommendations at this time on the Part A appropriations or the Part C language initiatives related to the General Purpose Aid for Local Schools (or "GPA") program for FY 2010. We have requested that the Department of Education ("DOE") provide our committee with information on the distribution of state subsidies under the GPA program, but we have not received this information. The DOE has indicated that a statewide subsidy printout will be completed next week. We also expect to receive more detailed information regarding the allocation of federal funds to schools under the American Recovery & Reinvestment Act of 2009 ("ARRA").

Following work sessions scheduled for this afternoon to consider several so-called "spending bills," we will complete our recommendations on these bills. More importantly, we will also finalize the Education & Cultural Affairs Committee's priorities for allocating funding to several critical programs -- including adult education, the Maine State Grant program, and our

public higher education institutions -- that we believe provide essential services to the people of Maine who desperately seek access to education, training and workforce development programs that can provide them with the skills and knowledge to prepare themselves for new opportunities during these economically uncertain times. We will recommend that the Legislature allocate any available state funds or federal "stimulus" funds to these priority education, training and workforce development programs.

We thank you for your consideration of our biennial budget recommendations and look forward to working with you as your work on the LD 353 proceeds during the upcoming weeks.

Attachments: Table of Contents for EDU Items in LD 353
EDU Budget Worksheets on LD 353 Initiatives
EDU Recommendations on Governor's Change Package Proposals
EDU Amendment to Maine State Museum Part A Initiatives

Committee: EDU
LA: PDM
LR # and item number:
Date: 3/17/2009

**Proposed Amd to LD 353, Part A Sec. 51
(Education & Cultural Affairs: EDU-85 to EDU-87)**

File Name: G:\COMMITTEES\EDU\AMENDMTS\124th1st\LD353EDUAmd.doc (3/17/2009 10:03 PM)

COMMITTEE AMENDMENT "." TO LD 353, FY10 and FY11 Biennial Budget

Amend the bill in **Part A, Sec. 51 on pages EDU-85 to EDU-87** by restoring General Fund support for two part-time positions in the Maine State Museum that were proposed to be eliminated or have hours reduced; and, instead, proposes to eliminate General Fund support for one full-time Public Service Manager I position (Assistant Director) in the Maine State Museum:

Maine State Museum 0180

Initiative: Restore funding for one part-time Office Associate II position.

Ref. #: 3351 Committee Vote: _____ AFA Vote: _____

GENERAL FUND	2009-10	2010-11
POSITIONS - LEGISLATIVE COUNT	0.500	0.500
Personal Services	<u>\$28,567</u>	<u>\$29,300</u>
GENERAL FUND TOTAL	\$28,567	\$29,300

Maine State Museum 0180

Initiative: Restore funding for one Museum Specialist III position from 40 hours to 80 hours biweekly.

Ref. #: 3348 Committee Vote: _____ AFA Vote: _____

GENERAL FUND	2009-10	2010-11
POSITIONS - LEGISLATIVE COUNT	0.500	0.500
Personal Services	<u>\$43,245</u>	<u>\$43,910</u>
GENERAL FUND TOTAL	\$43,245	\$43,910

Maine State Museum 0180

Initiative: Eliminates one full-time Public Service Manager I position.

Ref. #: TBA

Committee Vote: _____ AFA Vote: _____

GENERAL FUND	2009-10	2010-11
POSITIONS - LEGISLATIVE COUNT	(1,000)	(1,000)
Personal Services	<u>(\$94,852)</u>	<u>(\$95,943)</u>
GENERAL FUND TOTAL	(\$94,852)	(\$95,943)

**MAINE STATE MUSEUM 0180
PROGRAM SUMMARY**

GENERAL FUND	2009-10	2010-11
POSITIONS - LEGISLATIVE COUNT	0	0
Personal Services	<u>\$23,040</u>	<u>\$22,733</u>
GENERAL FUND TOTAL	\$23,040	\$22,733

SUMMARY

This recommendation of the Education & Cultural Affairs Committee proposes to restore General Fund support for two part-time positions in the Maine State Museum that were proposed to be eliminated or have hours reduced; and, instead, proposes to eliminate General Fund support for one full-time Public Service Manager I position (Assistant Director position) in the Maine State Museum.

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STATE OF MAINE

ONE HUNDRED AND TWENTY-FOURTH LEGISLATURE
COMMITTEE ON EDUCATION AND CULTURAL AFFAIRS

March 10, 2009

MEMO TO: Members, Joint Standing Committee on Education
FROM: Phillip McCarthy, Ed.D., Legislative Analyst 
SUBJ: **“Governor’s Change Package” to LD 353, 2010-2011 Biennial Budget Bill**

Please find enclosed a number of Education & Cultural Affairs initiatives proposed by Governor in his so-called “change package” amendment to LD 353, the biennial budget bill for fiscal year 2010 and fiscal year 2011.

The Governor’s “change package” amendment was presented to the Appropriations & Financial Affairs Committee yesterday, (on March 9, 2009). We hope to receive a briefing from Commissioner Gendron at 10:00 a.m. tomorrow, (March 11, 2009), on these initiatives.

Please let me know if you have any questions regarding these proposed amendments to LD 353.

Enclosure: Education & Cultural Affairs Initiatives in Governor’s Change Package
to LD 353, 2010-2011 Biennial Budget Bill

Adds the following new Part N to LD 353 as follows:

PART N

Sec. N-1. 5, MRSA, §286 -B, sub-§2, ¶1 as amended by PL 2007, c. 240, Pt. RRR, §1 is further amended to read:

2. Establishment. The Irrevocable Trust Fund for Other Post-employment Benefits is established to meet the State's unfunded liability obligations for retiree health benefits for eligible participants, as described in section 285, subsections 1-A and 11-A ~~and Title 20-A, section 13451, subsections 2, 2-A, 2-B and 2-C~~, who are the beneficiaries of the irrevocable trust fund. Funds appropriated for the irrevocable trust fund must be held in trust and must be invested or disbursed for the exclusive purpose of providing for retiree health benefits and may not be encumbered for, or diverted to, other purposes. Funds appropriated for the irrevocable trust fund may not be diverted or deappropriated by any subsequent action.

SUMMARY

This Part removes the teachers from the Other Post-employment Benefits (OPEB) Trust. No money will be appropriated or allocated for the teachers as the State of Maine is not the primary employer. Contributions for retiree health for teachers will remain at 45% of the current cost.

(X)

EDU recommends this initiative should be addressed in a separate bill that is referred to the appropriate legislative committee.

Adds the following new Part GGG to LD 353:

Committee Tabled 13-0

PART GGG

(*) Not included in Change package

Sec. GGG-1. Lease-purchase authorization; Maine Learning Technology Initiative. Pursuant to the Maine Revised Statutes, Title 5, section 1587, the Department of Administrative and Financial Services on behalf of the Department of Education may enter into financing arrangements in fiscal year 2009-10 for the acquisition of portable computer systems for 7th grade, 8th grade and high school students and educators to support the operations of the Maine Learning Technology Initiative program. The financing agreements may not exceed 4 years in duration and \$69,696,000 in principal costs for the Maine Learning Technology Initiative program. The interest rate may not exceed 7.5%, and the total interest costs may not exceed \$5,227,220. The annual principal and interest costs must be paid from the appropriate line category allocations in the Department of Education. The State is authorized to extend the provisions of the lease purchase agreement on behalf of school administrative units as long as all costs of the extension are borne by the school administrative unit.

SUMMARY

This Part authorizes the Department of Administrative and Financial Services, on behalf of the Department of Education, to enter into financing arrangements in FY 2009-2010 for the acquisition of portable computer systems to support the K-12 operations of the Maine Learning Technology Initiative program.

(*) Also has impact on GPA initiatives in Pt. A + Pt. C

Justification:

This funding was originally set aside in the FY09 budget and is paid from the State's Salary Plan. This initiative transfers those funds to MCCA's budget to support the ongoing effect of System's Collective Bargaining Agreements for fiscal years 2009-10 and 2010-11 and beyond.

Maine Community College System - Board of Trustees 0556

Initiative: Reduces funding to bring allocations into line with projected available resources based on the rejections of racino revenue by the Revenue Forecasting Committee in December 2008.

Ref. #: 3660

Committee Vote: OTP 12-0

AFA Vote: _____

OTHER SPECIAL REVENUE FUNDS

All Other

2009-10	2010-11
(\$189,534)	(\$180,451)

OTHER SPECIAL REVENUE FUNDS TOTAL

(\$189,534)	(\$180,451)
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Justification:

The Revenue Forecasting Committee in its December 2008 report reprojected racino revenues downward. This initiative reduces the allocation to bring into line with projected available resources.

Maine Community College System - Board of Trustees 0556

Initiative: Reduces funding to maintain costs within available resources. 9 - 3

Ref. #: 3661

Committee Vote: OTP/ONT

AFA Vote: _____

GENERAL FUND

All Other

2009-10	2010-11
(\$1,491,356)	(\$1,491,356)

GENERAL FUND TOTAL

(\$1,491,356)	(\$1,491,356)
---------------	---------------

Justification:

MCCA submitted a budget requesting \$2,177,161 in FY2010 and \$4,441,409 in FY2011 (4% per year) to sustain current operations that serve 14,743 students. The Administration is proposing a 2.74% reduction of the MCCA FY09 budget of \$54,429,035. The reduction represents a cut of \$1,491,356 and would require MCCA to eliminate 7 programs and sections of programs, a reduction of approximately 450 students, and layoff of approximately 20 faculty, staff and administrators.

FHM - School Breakfast Program Z068

Initiative: BASELINE BUDGET

	History 2007-08	History 2008-09	2009-10	2010-11
FUND FOR A HEALTHY MAINE				
All Other	\$0	\$224,925	\$213,925	\$213,925
FUND FOR A HEALTHY MAINE TOTAL	\$0	\$224,925	\$213,925	\$213,925
			<i>(Change Package)</i> (\$35,000)	<i>(Change Package)</i> (\$35,000)
			\$178,925	\$178,925

Justification:

Provides funds to reimburse local school units that provide breakfasts to those students eligible for the reduced-price breakfast benefit for the cost of the breakfast that is currently being paid by the student.

FHM - School Breakfast Program Z068

Initiative: Reduces funding to maintain costs within available resources.

Ref. #: 1610

Committee Vote: 11-0

AFA Vote: _____

		2009-10	2010-11
FUND FOR A HEALTHY MAINE			
All Other	<i>(*) including change package adjustments</i>	(\$12,041)	(\$13,503)
FUND FOR A HEALTHY MAINE TOTAL		(\$12,041)	(\$13,503)
	<i>(*) Change Package</i>	+ 6,300	+ 7,065
		<i>(+5,741)</i>	<i>(+6,438)</i>

Justification:

Revenue for the Fund for a Healthy Maine is projected to be less in fiscal years 2009-10 and 2010-11 than the fiscal year 2008-09 level. As a result, All Other funding in the various Fund for a Healthy Maine accounts is being reduced to bring allocations in line with resources.

FHM - SCHOOL BREAKFAST PROGRAM Z068

PROGRAM SUMMARY

	History 2007-08	History 2008-09	2009-10	2010-11
FUND FOR A HEALTHY MAINE				
All Other	\$0	\$224,925	\$201,884	\$200,422
FUND FOR A HEALTHY MAINE TOTAL	\$0	\$224,925	\$201,884	\$200,422
			\$173,184	\$172,487

FHM - School Nurse Consultant 0949

Initiative: BASELINE BUDGET

	History 2007-08	History 2008-09	2009-10	2010-11
FUND FOR A HEALTHY MAINE				
POSITIONS - LEGISLATIVE COUNT	1.000	1.000	1.000	1.000
Personal Services	\$90,633	\$94,647	\$94,792	\$96,469
All Other	\$9,134	\$9,023	\$9,023	\$9,023
FUND FOR A HEALTHY MAINE TOTAL	\$99,767	\$103,670	\$103,815	\$105,492

Justification:

The purpose of the School Nurse Consultant program is to provide ongoing consultation, policy development and technical assistance to the nearly 400 school nurses across the State. School nurses in Maine provide health services to students in order to assist them to be ready to learn. With changes in Federal regulations that require students to be educated in the least restrictive environment, many medically fragile students are now attending school. There are increasing numbers of students in school with diabetes, asthma and other chronic health conditions. School nurses are responsible for the health services provided to all students, are involved with environmental health and public health issues of the school, and work with school, parents and community health providers to improve the health of students.

FHM - School Nurse Consultant 0949

Initiative: Reduces funding to maintain costs within available resources.

Ref. #: 1579

Committee Vote: OTP 11-0 AFA Vote: _____

		2009-10	2010-11
FUND FOR A HEALTHY MAINE			
All Other	<i>* including change package adjustments</i>	(\$508)	(\$569)
FUND FOR A HEALTHY MAINE TOTAL	<i>* Change Package</i>	(\$508) <i>+ \$266</i> <u>(\$242)</u>	(\$569) <i>+ \$298</i> <u>(\$271)</u>

Justification:

Revenue for the Fund for a Healthy Maine is projected to be less in fiscal years 2009-10 and 2010-11 than the fiscal year 2008-09 level. As a result, All Other funding in the various Fund for a Healthy Maine accounts is being reduced to bring allocations in line with resources.

FHM - SCHOOL NURSE CONSULTANT 0949

PROGRAM SUMMARY

	History 2007-08	History 2008-09	2009-10	2010-11
FUND FOR A HEALTHY MAINE				
POSITIONS - LEGISLATIVE COUNT	1.000	1.000	1.000	1.000
Personal Services	\$90,633	\$94,647	\$94,792	\$96,469
All Other	\$9,134	\$9,023	\$8,515	\$8,454
FUND FOR A HEALTHY MAINE TOTAL	\$99,767	\$103,670	\$103,307	\$104,923

\$103,573 \$105,221

General Purpose Aid for Local Schools 0308

Initiative: BASELINE BUDGET

	History 2007-08	History 2008-09	2009-10	2010-11
GENERAL FUND				
All Other	\$971,958,385	\$956,481,491	\$986,027,536	\$986,027,536
GENERAL FUND TOTAL	\$971,958,385	\$956,481,491	\$986,027,536	\$986,027,536

Justification:

This program forms the core of state funding for Maine public schools distributed according to statute. The Department of Education distributes these monies to local administrative units. Local school administrative units use these resources with local tax reserves to provide K-12 educational programs so that each student achieves Maine's Learning Results.

General Purpose Aid for Local Schools 0308

Initiative: Adjusts funding for the reorganization of programs and accounts to improve the financial management and reporting of funds in the Department of Education.

Ref. #: 1425

Committee Vote: Tabled 11-2 AFA Vote: _____

		2009-10	2010-11
GENERAL FUND			
POSITIONS - LEGISLATIVE COUNT	* pending further information from DOE	23.000	23.000
Personal Services		\$1,799,210	\$1,858,500
All Other		(\$1,799,210)	(\$1,858,500)
GENERAL FUND TOTAL		\$0	\$0

Justification:

The Department of Education has reorganized its accounts to reflect the reorganization of the teams and programs within the Department as well as a reorganization of these accounts in Public Law 2007, chapter 539, Part GG.

General Purpose Aid for Local Schools 0308

Initiative: Reduces funding for the state share of General Purpose Aid for Local Schools.

Ref. #: 1426

Committee Vote: Tabled 11-2 AFA Vote: _____

		2009-10	2010-11
GENERAL FUND			
All Other	* pending further information from DOE	(\$27,056,044)	(\$27,056,044)
GENERAL FUND TOTAL		(\$27,056,044)	(\$27,056,044)

Justification:

Funding for General Purpose Aid to Local Schools for the state share of funding public education from kindergarten to grade 12 is funded at 51.01%.

Retired Teachers' Health Insurance 0854

Initiative: BASELINE BUDGET

GENERAL FUND	History 2007-08	History 2008-09	2009-10	2010-11
All Other	\$17,413,138	\$17,706,058	\$17,706,058	\$17,706,058
GENERAL FUND TOTAL	\$17,413,138	\$17,706,058	\$17,706,058	\$17,706,058

Justification:

This program provides funding for health insurance benefits for Maine's retired teachers.

Retired Teachers' Health Insurance 0854

Initiative: Provides funding for increased retired teacher health insurance costs.

Ref. #: 1576

Committee Vote: OTP 11-0

AFA Vote: _____

GENERAL FUND	2009-10	2010-11
All Other	\$1,062,363	\$2,188,469
GENERAL FUND TOTAL	\$1,062,363	\$2,188,469

Justification:

Retired teachers' health insurance costs are expected to increase 9% in each year of the biennium.

6% (per OFFR)

RETIRED TEACHERS' HEALTH INSURANCE 0854

PROGRAM SUMMARY

GENERAL FUND	History 2007-08	History 2008-09	2009-10	2010-11
All Other	\$17,413,138	\$17,706,058	\$18,768,421	\$19,894,527
GENERAL FUND TOTAL	\$17,413,138	\$17,706,058	\$18,768,421	\$19,894,527

Sec. A-22. Appropriations and allocations.

The following appropriations and allocations are made.

EDUCATION, STATE BOARD OF

State Board of Education 0614

Initiative: BASELINE BUDGET

GENERAL FUND	History 2007-08	History 2008-09	2009-10	2010-11
Personal Services	\$19,686	\$21,192	\$21,192	\$21,192
All Other	\$80,032	\$109,916	\$122,685	\$122,685
GENERAL FUND TOTAL	\$99,718	\$131,108	\$143,877	\$143,877

Justification:

The board has policy, rule making and approval responsibility to specified aspects of the state wide educational system. It is responsible for developing and applying the rules for educator certification, program approval for higher education, and school construction. In addition, the Board oversees vocational education.

State Board of Education 0614

Initiative: Reduces funding through a 10% reduction in operational costs for the State Board of Education.

Ref. #: 1407

Committee Vote: OT P-AM 12-0 AFA Vote: _____

GENERAL FUND			2009-10	2010-11
All Other			(\$14,387)	(\$14,388)
GENERAL FUND TOTAL			(\$14,387)	(\$14,388)
			<i>(\$25,000)</i>	<i>(\$25,000)</i>
			<i>(\$39,387)</i>	<i>(\$39,388)</i>

** Reduce an additional \$25,000 in each FY and transfer to Adult Education*

Justification:

This proposal reduces the operating cost of the State Board of Education by 10% in order to meet budget reduction targets.

STATE BOARD OF EDUCATION 0614

PROGRAM SUMMARY

GENERAL FUND	History 2007-08	History 2008-09	2009-10	2010-11
Personal Services	\$19,686	\$21,192	\$21,192	\$21,192
All Other	\$80,032	\$109,916	\$108,298	\$108,297
GENERAL FUND TOTAL	\$99,718	\$131,108	\$129,490	\$129,489

\$104,490 \$104,489

Sec. A-27. Appropriations and allocations.

The following appropriations and allocations are made.

FINANCE AUTHORITY OF MAINE

FHM - Dental Education 0951

Initiative: BASELINE BUDGET

	History 2007-08	History 2008-09	2009-10	2010-11
FUND FOR A HEALTHY MAINE				
All Other	\$277,735	\$277,735	\$277,735	\$277,735
FUND FOR A HEALTHY MAINE TOTAL	\$277,735	\$277,735	\$277,735	\$277,735

Justification:

Provides loan repayment or loan forgiveness for qualifying dentists to practice in underserved population areas in Maine.

FHM - Dental Education 0951

Initiative: Reduces funding to maintain costs within available resources.

Ref. #: 1967

Committee Vote: OTP 13-0 AFA Vote: _____

		2009-10	2010-11
FUND FOR A HEALTHY MAINE			
All Other	<i>⊗ Including Change Package adjustments</i>	(\$15,632)	(\$17,531)
FUND FOR A HEALTHY MAINE TOTAL		(\$15,632)	(\$17,531)

Justification:

Revenue for the Fund for a Healthy Maine is projected to be less in fiscal years 2009-10 and 2010-11 than the fiscal year 2008-09 level. As a result, All Other funding in the various Fund for a Healthy Maine accounts is being reduced to bring allocations into line with resources.

⊗ Change Package
 + \$8,179
 (\$7,453)
 + \$9,172
 (\$8,359)

FHM - DENTAL EDUCATION 0951
PROGRAM SUMMARY

	History 2007-08	History 2008-09	2009-10	2010-11
FUND FOR A HEALTHY MAINE				
All Other	\$277,735	\$277,735	\$262,103	\$260,204
FUND FOR A HEALTHY MAINE TOTAL	\$277,735	\$277,735	\$262,103	\$260,204

\$270,282
\$269,376

FHM - Health Education Centers 0950

Initiative: BASELINE BUDGET

	History 2007-08	History 2008-09	2009-10	2010-11
FUND FOR A HEALTHY MAINE				
All Other	\$117,235	\$117,235	\$117,235	\$117,235
FUND FOR A HEALTHY MAINE TOTAL	\$117,235	\$117,235	\$117,235	\$117,235

Justification:

Health Education Centers establish funding for recruitment centers in Maine for students to attend medical school.

FHM - Health Education Centers 0950

Initiative: Reduces funding to maintain costs within available resources.

Ref. #: 1964

Committee Vote: OTP 13 10

AFA Vote: _____

		2009-10	2010-11
FUND FOR A HEALTHY MAINE			
All Other	<i>* Including Change Package adjustments</i>	(\$6,599)	(\$7,400)
FUND FOR A HEALTHY MAINE TOTAL		(\$6,599)	(\$7,400)

** Change Package*

+ \$3,452 + \$3,872
(\$3,147) (\$3,528)

Justification:

Revenue for the Fund for a Healthy Maine is projected to be less in fiscal years 2009-10 and 2010-11 than the fiscal year 2008-09 level. As a result, All Other funding in the various Fund for a Healthy Maine accounts is being reduced to bring allocations into line with resources.

FHM - HEALTH EDUCATION CENTERS 0950

PROGRAM SUMMARY

	History 2007-08	History 2008-09	2009-10	2010-11
FUND FOR A HEALTHY MAINE				
All Other	\$117,235	\$117,235	\$110,636	\$109,835
FUND FOR A HEALTHY MAINE TOTAL	\$117,235	\$117,235	\$110,636	\$109,835

\$114,088 \$113,707

FHM - Quality Child Care 0952

Initiative: BASELINE BUDGET

	History 2007-08	History 2008-09	2009-10	2010-11
FUND FOR A HEALTHY MAINE				
All Other	\$167,792	\$167,792	\$167,792	\$167,792
FUND FOR A HEALTHY MAINE TOTAL	\$167,792	\$167,792	\$167,792	\$167,792

Justification:

Issues scholarships for qualifying students taking courses related to early childhood education or child development.

FHM - Quality Child Care 0952

Initiative: Reduces funding to maintain costs within available resources.

Ref. #: 1970

Committee Vote: OTP 13-0

AFA Vote: _____

		2009-10	2010-11
FUND FOR A HEALTHY MAINE			
All Other	<i>⊗ Including change Package adjustments</i>	(\$9,444)	(\$10,591)
FUND FOR A HEALTHY MAINE TOTAL		(\$9,444)	(\$10,591)

Justification:

Revenue for the Fund for a Healthy Maine is projected to be less in fiscal years 2009-10 and 2010-11 than the fiscal year 2008-09 level. As a result, All Other funding in the various Fund for a Healthy Maine accounts is being reduced to bring allocations into line with resources.

⊗ Change Package

*+ \$4,941 + \$5,541
(~~\$4,503~~) (~~\$5,050~~)*

FHM - QUALITY CHILD CARE 0952

PROGRAM SUMMARY

	History 2007-08	History 2008-09	2009-10	2010-11
FUND FOR A HEALTHY MAINE				
All Other	\$167,792	\$167,792	\$158,348	\$157,201
FUND FOR A HEALTHY MAINE TOTAL	\$167,792	\$167,792	\$158,348	\$157,201

\$163,289 \$162,742

Student Financial Assistance Programs 0653

Initiative: BASELINE BUDGET

GENERAL FUND	History 2007-08	History 2008-09	2009-10	2010-11
All Other	\$12,761,117	\$12,074,552	\$12,761,117	\$12,761,117
GENERAL FUND TOTAL	\$12,761,117	\$12,074,552	\$12,761,117	\$12,761,117

Justification:

FAME offers grant, forgivable loan, and tuition waiver programs, as well as outreach activities, to assist Maine citizens with financing the pursuit of post secondary education.

Student Financial Assistance Programs 0653

Initiative: Reduces funding for grants in the Student Financial Assistance Programs.

Ref. #: 1961

Committee Vote: OTP 13-0

AFA Vote: _____

GENERAL FUND	2009-10	2010-11
All Other	(\$1,276,112)	(\$1,276,112)
GENERAL FUND TOTAL	(\$1,276,112)	(\$1,276,112)

Justification:

The Finance Authority of Maine anticipates reducing funding for the Educators for Maine Loan program, the Health Professions Loan program, the Access to Medical Education program, and the Maine State Grant program.

STUDENT FINANCIAL ASSISTANCE PROGRAMS 0653

PROGRAM SUMMARY

GENERAL FUND	History 2007-08	History 2008-09	2009-10	2010-11
All Other	\$12,761,117	\$12,074,552	\$11,485,005	\$11,485,005
GENERAL FUND TOTAL	\$12,761,117	\$12,074,552	\$11,485,005	\$11,485,005

Sec. A-49. Appropriations and allocations.

The following appropriations and allocations are made.

MARITIME ACADEMY, MAINE

Maritime Academy - Operations 0035

Initiative: BASELINE BUDGET

	History 2007-08	History 2008-09	2009-10	2010-11
GENERAL FUND				
All Other	\$8,835,474	\$8,377,940	\$8,854,314	\$8,854,314
GENERAL FUND TOTAL	\$8,835,474	\$8,377,940	\$8,854,314	\$8,854,314

Justification:

Maine Maritime Academy is an international leader specializing in maritime oriented degree programs emphasizing engineering, transportation, trade, management and ocean sciences as well as preparing officers for the maritime and uniformed services of the United States. The college maintains an environment that stimulates intellectual curiosity and global awareness, fosters professional competence, encourages rigorous self-discipline and develops leadership skills through curricular and co-curricular activities. The college supports public service to the state, perpetuates Maine's heritage of the sea and achieves a high level of career placement for its graduates. The requested General Fund appropriation levels for fiscal years 2010 and 2011 are required to sustain ongoing operations in view of collectively bargained adjustments to salaries and benefits, increased energy costs and other operational needs while meeting the Academy's Board of Trustees' objective of constraining increases in student tuitions and fees to levels consistent with general consumer price index projections for the biennium.

Maritime Academy - Operations 0035

Initiative: Reduces funding to maintain costs within available resources.

Ref. #: 3331

Committee Vote:

12 - 1
OTP/ONTP

AFA Vote: _____

	2009-10	2010-11
GENERAL FUND		
All Other	(\$242,608)	(\$242,608)
GENERAL FUND TOTAL	(\$242,608)	(\$242,608)

Justification:

Adjusts funding requirements by continuation of institution-wide curtailments of non-essential spending in areas such as travel, purchasing, maintenance and the filling of vacant positions. These steps will be supplemented by a variety of organizational and staffing efficiencies and modifications which are planned to be implemented prior to the beginning of Fiscal Year 2010 in order to meet the additional challenges which will result from the lack of customary adjustments in appropriation levels to address annual cost increases in areas such as collectively bargained wages and benefits, energy costs and other economy-driven areas of expense. To the extent possible, program adjustments will minimize negative impacts on academic quality and student health and safety.

LIBRARY, MAINE STATE

DEPARTMENT TOTALS	2009-10	2010-11
GENERAL FUND	\$3,285,154	\$3,356,759
FEDERAL EXPENDITURES FUND	\$1,359,639	\$1,391,134
OTHER SPECIAL REVENUE FUNDS	\$468,072	\$468,072
DEPARTMENT TOTAL - ALL FUNDS	\$5,112,865	\$5,215,965

GENERAL FUND	2009-10	2010-11
All Other	\$21,303	\$21,303
GENERAL FUND TOTAL	\$21,303	\$21,303

Justification:

Distributes All Other funds to reflect actual expenses for the service center cost. Funding in fiscal year 2008-09 was in the Maine State Library administration account to fund all cultural agencies cost.

Maine State Museum 0180

Initiative: Eliminates 2 seasonal part-time Museum Technician I positions.

Ref. #: 3352

Committee Vote: OTP 13-0

AFA Vote: _____

GENERAL FUND	2009-10	2010-11
POSITIONS - FTE COUNT	(0.318)	(0.318)
Personal Services	(\$14,880)	(\$15,137)
GENERAL FUND TOTAL	(\$14,880)	(\$15,137)

Justification:

With the elimination of 2 seasonal part-time Museum Technician I positions, the museum will no longer have the staff necessary to be open to the public on Mondays. A Monday closing, added to an existing Sunday closing (effective July 2008 as a result of fiscal year 2008-09 reductions) means that public access to the museum has decreased by 13% in a year's time. Visitors to the museum on Mondays represent about 11% of total visitation. During the busy spring and summer seasons (April - August), Mondays have seen increased use by school, home school, senior and tourist groups from around the state. In 2008 1,583 visitors in 61 groups came to the museum on Mondays during this period. With the museum closed, these groups and other visitors will have to reschedule to another time or cancel their visits completely. Monday closures will also mean an income loss of 10% to the museum store, and a resulting loss of funds to the museum's publication program, which is supported by museum store sales.

Maine State Museum 0180

Initiative: Eliminates one part-time Office Associate II position.

Ref. #: 3351

Committee Vote: 10 - 3
OTP-AM/ONTTP

AFA Vote: _____

GENERAL FUND	2009-10	2010-11
POSITIONS - LEGISLATIVE COUNT	(0.500)	(0.500)
Personal Services	(\$28,567)	(\$29,300)
GENERAL FUND TOTAL	(\$28,567)	(\$29,300)

majority - See EDK amendment to restore funding for this position and to eliminate FT Public Service Mgr.
minority - eliminate this position

and efficiently provide good care of its collections (over 700,000 objects in 5 collections storage areas) because time will not be available to upgrade storage facilities. This reduction will also adversely affect visitors to the State House and Blaine House where museum exhibit staff will have less capacity to carry out exhibit responsibilities for state-owned collections of wildlife dioramas, flags, historic furnishings, portraits and memorial plaques. Staff and budget shortages in all areas of the museum's operation mean that staff cannot be reassigned or funds dedicated to mitigate the loss of the 2 part-time Museum Technician I positions. This reduction is a continuation of fiscal year 2008-09 supplemental budget requests.

Maine State Museum 0180

Initiative: Reorganizes one Museum Specialist III position from 80 hours to 40 hours biweekly.

Ref. #: 3348

Committee Vote: OTP-AM / ONTP AFA Vote: _____

GENERAL FUND		2009-10	2010-11
POSITIONS - LEGISLATIVE COUNT	(*) majority - to restore funding for this position and eliminate FT Public Service mgr. position	(0.500)	(0.500)
Personal Services		(\$43,245)	(\$43,910)
GENERAL FUND TOTAL	(*) minority - reorganize this position	(\$43,245)	(\$43,910)

Justification:

Decreasing the hours of one Museum Specialist III position (Chief Archaeologist) will mean that the museum's excellent collection of archaeological objects from sites around the state will receive less oversight, research and analysis. Weekly public inquiries and assistance concerning these collections will go unanswered or be delayed. Additionally, these collections will be less available to support K-12 native studies curricula in Maine schools. Diminished hours for this position will also jeopardize the museum's ability to care for, advise on and possibly acquire significant archaeological collections housed in other state institutions, if those institutions cannot provide proper oversight and management. Similarly, the ability for the museum to adequately address its mandated responsibilities regarding archaeological sites and objects on state-owned lands, particularly submerged lands, will be compromised. Decreased hours for this Museum Specialist III position will require that the museum's ethnology collection, formerly overseen by this position, will be transferred to another overburdened curator.

Maine State Museum 0180

Initiative: Reduces funding for position elimination, related All Other costs and the purchase of exhibit maintenance, construction and office supplies.

Ref. #: 3349

Committee Vote: OTP 13-0 AFA Vote: _____

GENERAL FUND		2009-10	2010-11
All Other		(\$9,739)	(\$9,966)
GENERAL FUND TOTAL		(\$9,739)	(\$9,966)

Justification:

Reduces funding for telephone and computer costs as a result of position eliminations and for the deferral or elimination of supply purchases necessary to properly maintain and build museum exhibits, and to operate museum offices, labs, and collection care facilities. This reduction in All Other funds replaces a larger reduction in general operations funds in the fiscal year 2008-09 supplemental budget.

MAINE STATE MUSEUM 0180
PROGRAM SUMMARY

	History 2007-08	History 2008-09	2009-10	2010-11
GENERAL FUND				
POSITIONS - LEGISLATIVE COUNT	22.500	20.000	19.500	19.500
POSITIONS - FTE COUNT	0.693	0.318	0.000	0.000
Personal Services	\$1,430,476	\$1,433,031	\$1,365,857	\$1,405,349
All Other	\$198,257	\$166,169	\$204,332	\$204,105
GENERAL FUND TOTAL	\$1,628,733	\$1,599,200	\$1,570,189	\$1,609,454
	History 2007-08	History 2008-09	2009-10	2010-11
OTHER SPECIAL REVENUE FUNDS				
POSITIONS - LEGISLATIVE COUNT	0.000	1.000	1.000	1.000
POSITIONS - FTE COUNT	0.000	0.839	0.839	0.839
Personal Services	\$0	\$85,005	\$73,153	\$76,431
All Other	\$163,942	\$78,937	\$78,937	\$78,937
OTHER SPECIAL REVENUE FUNDS TOTAL	\$163,942	\$163,942	\$152,090	\$155,368

Educational and General Activities - UMS 0031

Initiative: BASELINE BUDGET

GENERAL FUND	History 2007-08	History 2008-09	2009-10	2010-11
All Other	\$183,236,418	\$175,157,071	\$183,529,206	\$183,529,206
GENERAL FUND TOTAL	\$183,236,418	\$175,157,071	\$183,529,206	\$183,529,206

OTHER SPECIAL REVENUE FUNDS	History 2007-08	History 2008-09	2009-10	2010-11
All Other	\$550,000	\$550,000	\$550,000	\$550,000
OTHER SPECIAL REVENUE FUNDS TOTAL	\$550,000	\$550,000	\$550,000	\$550,000

Justification:

Provides for undergraduate, graduate, and professional educational programs, non-credit courses, University sponsored research, services through cooperative extension and other activities, and administrative support and support services to students and employees at seven Universities and various distance education locations.

Educational and General Activities - UMS 0031

Initiative: Reduces funding to maintain costs within available resources.

Ref. #: 3690

Committee Vote:

11 - 1
OTP/ONTP

AFA Vote: _____

GENERAL FUND	2009-10	2010-11
All Other	(\$5,028,700)	(\$5,028,700)
GENERAL FUND TOTAL	(\$5,028,700)	(\$5,028,700)

Justification:

A 2.7% reduction in appropriation for the University of Maine System (UMS), combined with the impact of the global financial crisis on investment income, flat or declining enrollment, and the commitment to modest tuition increases in order to maintain affordable postsecondary education for Maine citizens through seven regional universities, results in a projected financial gap of \$18 million in FY10 and \$28 million in FY11. This scenario assumes a current services expenditure budget for the seven-university System, an average 6% increase in tuition and corresponding average 6% increase in university-based financial aid, and reduced dependence on investment income for operating expense recognizing current market conditions. The delivery of educational services is personnel intensive work and approximately 65% of the UMS operating costs are for compensation and benefits. It is anticipated that a substantial workforce reduction of 150 to 300 positions (a 3% to 6% reduction) will be necessary in order to close a \$28 million gap over the biennium. Both faculty and staff at all seven universities would be affected and students would most certainly realize the impact of reduced course offerings and student services. Academic programs and access points (regional outreach centers) would likely be reduced potentially impacting graduation rates due to an inability of students to access required courses within four years. Tuition may be increased beyond an average 6% and/or university-based financial aid may be reduced impacting affordability. The limited progress made addressing significant backlogs in facilities maintenance and repairs would be lost and the condition of campus facilities would deteriorate. Ultimately, the ability to maintain seven separate viable universities offering quality higher education could be at risk. The Chancellor recently announced the New Challenges, New Directions initiative which promotes an enterprise-wide approach to managing the UMS and seeks cost reductions in three areas: administrative, student and financial services; academic programs and

Committee Tabled 11-2
⊗ Pending further information from DOE

PART C

1
2 **Sec. C-1. 20-A MRSA §5401, sub-§3-A** is enacted to read:

3 **3-A. Waiver for transportation of public preschool students.** The commissioner
4 may waive the requirement for school administrative units to provide transportation for
5 public preschool students.

6 **Sec. C-2. 20-A MRSA §5806, sub-§2**, as amended by PL 2007, c. 539, Pt. C, §2,
7 is further amended to read:

8 **2. Maximum allowable tuition.** The maximum allowable tuition charged to a
9 school administrative unit by a private school is the rate established under subsection 1 or
10 the state average per public secondary student cost as adjusted, whichever is lower, plus
11 an insured value factor. The insured value factor is computed by dividing 5% of the
12 insured value of school buildings and equipment by the average number of pupils
13 enrolled in the school on October 1st and April 1st of the year immediately before the
14 school year for which the tuition charge is computed. It may not exceed 10% of a
15 school's legal tuition rate per student in any one year. For the 2008-09 and 2009-10
16 school year years only, a school administrative unit is not required to pay an insured
17 value factor greater than 5% of the school's tuition rate per student, unless the legislative
18 body of the school administrative unit votes to authorize its school board to pay a higher
19 insured value factor that is no greater than 10% of the school's tuition rate per student.

20 **Sec. C-3. 20-A MRSA §15671, sub-§7, ¶A**, as amended by PL 2007, c. 539, Pt.
21 C, §3, is further amended to read:

22 A. The base total calculated pursuant to section 15683, subsection 2 is subject to the
23 following annual targets.

- 24 (1) For fiscal year 2005-06, the target is 84%.
25 (2) For fiscal year 2006-07, the target is 90%.
26 (3) For fiscal year 2007-08, the target is 95%.
27 (4) For fiscal year 2008-09, the target is 97%.
28 (5) For fiscal year 2009-10 ~~and succeeding years~~, the target is ~~100%~~ 97%.
29 (6) For fiscal year 2010-11 and succeeding years, the target is 100%.

30 **Sec. C-4. 20-A MRSA §15671, sub-§7, ¶B**, as amended by PL 2007, c. 539, Pt.
31 C, §4, is further amended to read:

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

- 34 (1) For fiscal year 2005-06, the target is 52.6%.
35 (2) For fiscal year 2006-07, the target is 53.86%.
36 (3) For fiscal year 2007-08, the target is 53.51%.

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

2 PART KK

3 Sec. KK-1. 20-A MRSA §9, as enacted by PL 1995, c. 395, Pt. J, §1 and
4 amended by PL 2003, c. 20, Pt. OO, §2 and affected by §4, is further amended to read:

5 §9. Education Coordinating Committee

6 The Education Coordinating Committee, referred to in this section as the
7 "committee," is established to promote efficiency, cooperative effort and strategic
8 planning ~~between~~ among the Department of Education, the State Board of Education, the
9 University of Maine System, the Maine Community College System and the Maine
10 Maritime Academy. The committee consists of the Commissioner of Education, the
11 Chair of the State Board of Education, the Chancellor of the University of Maine System,
12 the Chair of the Board of Trustees of the University of Maine System, the President of the
13 Maine Community College System, the Chair of the Board of Trustees of the Maine
14 Community College System, the President of the Maine Maritime Academy and the
15 Chair of the Board of Trustees of the Maine Maritime Academy.

16 The committee shall meet at least twice each year. The commissioner shall convene
17 the first meeting of the committee by October 15, 1995. The committee shall elect a chair
18 from among its members to serve for a term to be determined by the committee. The
19 committee shall report on its deliberations and any recommendations to the Governor and
20 the joint standing committee of the Legislature having jurisdiction over education matters
21 by February 15th each year.

22 Notwithstanding the deadline established in this section, on or before January 1, 2010
23 and every year thereafter, the committee shall include in its report under this section
24 information on:

25 1. College enrollment. Progress toward increasing the percentage of secondary
26 students and adults who enroll in the University of Maine System, Maine Community
27 College System or Maine Maritime Academy;

28 2. Remediation. Reduction in the need for college developmental instruction or
29 remediation at the University of Maine System, Maine Community College System and
30 Maine Maritime Academy;

31 3. Retention and graduation. Improvement in retention and graduation rates at the
32 University of Maine System, Maine Community College System and Maine Maritime
33 Academy; and

34 4. Transformation. Efforts to transform the University of Maine System, Maine
35 Community College System and Maine Maritime Academy into flexible, borderless and
36 multidimensional communities of higher education using new technologies, internships
37 and other innovative learning opportunities to prepare and support young and older adult
38 students for success in the global economy.

SENATE

JUSTIN L. ALFOND, Cumberland, CHAIR
ELIZABETH M. SCHNEIDER, Penobscot
CAROL WESTON, Waldo

PHILLIP D. MCCARTHY, Ed.D., LEGISLATIVE ANALYST
DAVID DESJARDINS, COMMITTEE CLERK



HOUSE

PATRICIA B. SUTHERLAND, Chesham, CHAIR
EDWARD D. FINCH, Fairfield
ALAN M. CASAVANT, Biddeford
RICHARD V. WAGNER, Lewiston
STEPHEN D. LOVEJOY, Portland
MARY PENNELL NELSON, Falmouth
HELEN RANKIN, Hiram
DAVID E. RICHARDSON, Carmel
HOWARD E. MCFADDEN, Dennyville
PETER B. JOHNSON, Greenville

STATE OF MAINE

ONE HUNDRED AND TWENTY-FOURTH LEGISLATURE
COMMITTEE ON EDUCATION AND CULTURAL AFFAIRS

April 9, 2009

MEMO TO: Senator William Diamond, Senate Chair,
Representative Emily Ann Cain, House Chair, and
Members of the Joint Standing Committee on Appropriations & Financial Affairs

FROM: Senator Justin Alfond, Senate Chair, *JA*
Representative Patricia Sutherland, House Chair, and *PS*
Members of the Joint Standing Committee on Education & Cultural Affairs

SUBJ: **Education & Cultural Affairs Committee Report for GPA for Local Schools
and the Maine State Museum in FY 2010 - FY 2011 Biennial Budget (LD 353)**

The Joint Standing Committee on Education & Cultural Affairs is pleased to submit our report on the General Purpose Aid for Local Schools ("GPA") program initiatives in the FY 2010 and FY 2011 biennial budget bill (LD 353) and to amend our previous report pertaining to the Maine State Museum. Our recommendations for these initiatives are presented as follows:

- ⊕ A summary of our recommendations and votes on the GPA provisions in Part A and Part C, as well as other items related to the distribution of state subsidies from the GPA program, are presented in the attached document titled "Work Session Summary: April 1, April 2 and April 7";
- ⊕ The Part A baseline and adjustment initiatives to the GPA appropriations for FY 2010 and FY 2011 are presented in pages EDU-26 and EDU-27 of the attached EDU budget worksheet;
- ⊕ The amended Part C language initiatives pertaining to the GPA appropriation for FY 2010 are presented in an 8-page document prepared by the Department of Education following Education & Cultural Affairs Committee work sessions; and
- ⊕ We reconsidered our previous vote to amend Part A initiatives proposed for the Maine State Museum; and now unanimously recommend, by a 9-0 vote, a "revenue-neutral" proposal from the Maine State Museum Commission to: (1) accept the elimination of the Education Program Scheduler (Ref. # 3351 @ pages EDU-85-86); (2) reject the reduction in funding for the Chief Archeologist (Ref. # 3348 @ page EDU-87); and (3) restore funding for the Chief Archeologist

position by reducing the workweek of both the Director and the Assistant Director of the Maine State Museum by 20% for FY 2010 and FY 2011 in accordance with the Part Z provisions of LD 353 that propose to establish a voluntary employee incentive program. We understand that the Director of the Maine State Museum will be providing language to the Appropriations and Financial Affairs Committee to implement this proposal and our recommendation.

We thank you for your consideration of our biennial budget recommendations on these initiatives. As always, we look forward to collaborating with you as your work on the LD 353 proceeds during the upcoming weeks.

COMMITTEE ON EDUCATION & CULTURAL AFFAIRS
Work Session Summary – April 1, 2009, April 2, 2009 and April 7, 2009
LD 353 FY10 & FY11 Biennial Budget

**Department of Education Budget: General Purpose Aid for Local School Schools (“GPA”) Program:
 Part A, Part C and Items Related to GPA Distribution in FY 2009-10**

Part	Initiative / Discussion	Vote
<i>Part A</i>	<ul style="list-style-type: none"> • Appropriations for FY 2009-10 and FY 2010-11 for the General Purpose Aid for Local Schools (GPA program) 	<p><u>Motion:</u> (Schneider/ McFadden) OTP on Part A \$958,971,492 appropriations for GPA program</p> <p><u>Vote:</u> 11-0 (Absent: Sutherland, Lovejoy)</p>
<i>Part C (Language)</i>	<p>In voting on the OTP-AM motion, certain members requested that the EDU Committee continue to consider the following issues during the session:</p> <ul style="list-style-type: none"> • Waiver requirements to school units to provide public transportation for preschoolers (Weston - see also LD364) • Statutes related to insured value factor (“IVF”) and debt service allocation (McFadden, Weston, Schneider) • Annual targets and funding implications related to “the ramp” to reach the 55% state share and the transition to recognizing 100% of EPS-defined costs (Nelson) • The number of regional school units and alternative organization structures affected by the amendment to the statutes related to the regional adjustment for labor market areas (Finch) • A review of the “miscellaneous costs” line items that are allocated “off the top” of the GPA for Local Schools program (Weston) 	<p><u>Motion:</u> (Schneider/ McFadden) OTP-AM on Part C Language</p> <p><u>Vote:</u> 11-0 (Absent: Sutherland, Lovejoy)</p>

Part	Initiative / Discussion	Vote
Part GGG	<ul style="list-style-type: none"> Recommendation on language provisions that would authorize the Commissioner of Education to enter into a 4-year contract for the expansion of the Maine Learning Technology Initiative (aka the "laptop program") into the high school grades Note: This language was never formally included in the "Governor's change package" 	There was no formal action taken on this item. The EDU Committee has scheduled a work session for April 15 th @ 2:30 pm to take public comment on this proposed initiative
Penalties for Non-conforming School Units	<ul style="list-style-type: none"> Recommendation on allocation of penalties to non-conforming school units (state subsidy allocations) Regional school units that have reorganized presume that they will receive transition funding from these state subsidies Maine DOE indicated that they will need to set state subsidies (pertaining to the penalties) aside as a contingency for the passage of LD 977, the initiated bill, by the voters at a potential referendum vote (in November 2009 or at a special election date established by the Legislature) 	<p>Motion: (Sutherland/Finch) Set aside the allocation of the total amount of state subsidies pertaining to the penalties assessed to nonconforming school units until the 124th Legislature convenes the 2nd session in January, 2010</p> <p>Vote: 10-1 (Absent: McFadden, Schneider)</p>
LD 635	<ul style="list-style-type: none"> Recommendation to add the initiatives contained in LD 635 into the budget bill) LD 635 provides additional time for a school administrative unit to comply with the reorganization law if it approved a reorganization plan at a referendum prior to January 30, 2009 but is unable to implement the plan because the plan was rejected by one or more of its proposed partners. The school administrative unit would be allowed to restart the process to form a regional school unit with the same or other school administrative units 	<p>Motion: (Sutherland/Alfond) Include the provisions of LD 635 into Part C or another appropriate part of the LD 353 biennial budget bill</p> <p>Vote: 9-1 (Absent: McFadden, Schneider, Wagner)</p>

General Purpose Aid for Local Schools 0308

Initiative: BASELINE BUDGET

GENERAL FUND	History 2007-08	History 2008-09	2009-10	2010-11
All Other	\$971,958,385	\$956,481,491	\$986,027,536	\$986,027,536
GENERAL FUND TOTAL	\$971,958,385	\$956,481,491	\$986,027,536	\$986,027,536

Justification:

This program forms the core of state funding for Maine public schools distributed according to statute. The Department of Education distributes these monies to local administrative units. Local school administrative units use these resources with local tax reserves to provide K-12 educational programs so that each student achieves Maine's Learning Results.

General Purpose Aid for Local Schools 0308

Initiative: Adjusts funding for the reorganization of programs and accounts to improve the financial management and reporting of funds in the Department of Education.

Ref. #: 1425

Committee Vote: 11-0

AFA Vote: _____

GENERAL FUND	2009-10	2010-11
POSITIONS - LEGISLATIVE COUNT	23,000	23,000
Personal Services	\$1,799,210	\$1,858,500
All Other	(\$1,799,210)	(\$1,858,500)
GENERAL FUND TOTAL	\$0	\$0

Justification:

The Department of Education has reorganized its accounts to reflect the reorganization of the teams and programs within the Department as well as a reorganization of these accounts in Public Law 2007, chapter 539, Part GG.

General Purpose Aid for Local Schools 0308

Initiative: Reduces funding for the state share of General Purpose Aid for Local Schools.

Ref. #: 1426

Committee Vote: 11-0

AFA Vote: _____

GENERAL FUND	2009-10	2010-11
All Other	(\$27,056,044)	(\$27,056,044)
GENERAL FUND TOTAL	(\$27,056,044)	(\$27,056,044)

Justification:

Funding for General Purpose Aid to Local Schools for the state share of funding public education from kindergarten to grade 12 is funded at 51.01%.

GENERAL PURPOSE AID FOR LOCAL SCHOOLS 0308
PROGRAM SUMMARY

GENERAL FUND	History 2007-08	History 2008-09	2009-10	2010-11
POSITIONS - LEGISLATIVE COUNT	0.000	0.000	23.000	23.000
Personal Services	\$0	\$0	\$1,799,210	\$1,858,500
All Other	\$971,958,385	\$956,481,491	\$957,172,282	\$957,112,992
GENERAL FUND TOTAL	\$971,958,385	\$956,481,491	\$958,971,492	\$958,971,492

PART C

Sec. C-1. 20-A MRSA §5401, sub-§3-A, is enacted to read:

3-A. Waiver for transportation of public preschool students. The commissioner shall waive the requirement for school administrative units to provide transportation for public preschool students.

Sec. C-2. 20-A MRSA §5806, sub-§2, as amended by PL 2007, c. 539, is further amended to read:

2. Maximum allowable tuition. The maximum allowable tuition charged to a school administrative unit by a private school is the rate established under subsection 1 or the state average per public secondary student cost as adjusted, whichever is lower, plus an insured value factor. The insured value factor ~~shall be~~ is computed by dividing 5% of the insured value of school buildings and equipment by the average number of pupils enrolled in the school on October 1st and April 1st of the year immediately before the school year for which the tuition charge is computed. It may not exceed 10% of a school's legal tuition rate per student in any one year. For the 2008-09 and 2009-10 school years only, a school administrative unit is not required to pay an insured value factor greater than 5% of the school's tuition rate per student, unless the legislative body of the school administrative unit votes to authorize its school board to pay a higher insured value factor that is no greater than 10% of the school's tuition rate per student.

Sec. C-3. 20-A MRSA §15671, sub-§7, ¶A, as amended by PL 2007, c. 539, is further amended to read:

A. The base total calculated pursuant to section 15683, subsection 2 is subject to the following annual targets.

- (1) For fiscal year 2005-06, the target is 84%.
- (2) For fiscal year 2006-07, the target is 90%.
- (3) For fiscal year 2007-08, the target is 95%.
- (4) For fiscal year 2008-09, the target is 97%.
- (5) For fiscal year 2009-10 ~~and succeeding years~~, the target is ~~100%~~97%.
- (6) For fiscal year 2010-11 and succeeding years, the target is 100%.

Sec. C-4. 20-A MRSA §15671, sub-§7, ¶B, as amended by PL 2007, c. 539, 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%.
- (3) For fiscal year 2007-08, the target is 53.51%.
- (4) For fiscal year 2008-09, the target is ~~54.01%~~52.52%.
- (5) For fiscal year 2009-10 ~~and succeeding years~~, the target is ~~55%~~50.95%.
- (6) For fiscal year 2010-11 and succeeding years, the target is 55%.

Sec. C-5. 20-A MRSA §15671-A, sub-§2, ¶B, as amended by PL 2007, c. 539, 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 45.56% 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 45.99% statewide total local share in fiscal year 2008-09.
- (4-A) For the 2009 property tax year ~~and subsequent tax years~~, the full-value education mill rate is the amount necessary to result in a 45.0% 49.05% statewide total local share in fiscal year 2009-10 ~~and after~~.
- (4-B) For the 2010 property tax year and subsequent tax years, the full-value education mill rate is the amount necessary to result in a 45.0% statewide total local share in fiscal year 2010-11 and after.

Sec. C-6. 20-A MRSA §15682, as amended by PL 2005, c. 519, Pt. AAAA, §9, is further amended to read:

§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~~ for labor market areas ~~in the State~~ in which the school administrative unit is located, 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 and salary and benefit costs of other school-level staff who are not teachers as calculated under section 15679.

Sec. C-7. 20-A MRS §15683-A, as amended by PL 2007, c. 539, is further amended to read:

§15683-A. Total debt service allocation.

For each school administrative unit, that unit's total debt service allocation is that unit's debt service costs as defined in section 15672, subsection 2-A. For the 2008-09 and 2009-10 funding years only, for each school administrative unit, that unit's total debt service allocation is that unit's debt service costs as defined in section 15672, subsection 2-A excluding 80% of the insured value factor pursuant to section 15672, subsection 2-A, paragraph C.

Sec. C-8. 20-A MRS §15689, sub-§1, ¶B, as amended by PL 2007, c. 539, 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%;
- (3) In fiscal year 2007-08, 84%;
- (4) In fiscal year 2008-09, ~~50%~~45%; and
- (5) In fiscal year 2009-10 ~~and succeeding years, 84%.~~45%; and
- (6) In fiscal year 2010-11 and succeeding years, 84%.

Sec. C-9. 20-A MRS §15689, sub-§10, is enacted by to read:

10. Innovative School Construction Project Adjustment. For any fiscal year, should the appropriation for the State share of debt service exceed the annual payments, the commissioner may expend and disburse the balance of funds to carry out the purposes of innovative school construction.

Sec. C-10. 20-A MRS §15689-A, sub-§10, as amended by PL 2007, c. 539, is further amended to read:

10. Data management and support services for essential programs and services. The commissioner may pay costs attributed to system maintenance and staff support consisting of 11 positions that provide professional and administrative support to general purpose aid for local schools necessary to implement the requirements of the Essential Programs and Services Funding Act. ~~A transfer of All Other funds from the General Purpose Aid for Local Schools account to Personal Services in the Management Information Systems account for 11 positions that provide professional and administrative support to general purpose aid for local schools in the department's management information systems program may occur annually by financial order upon recommendation of the State Budget Officer and approval of the Governor.~~

Sec. C-11. 20-A MRS §15689-A, sub-§12-A, as amended by PL 2007, c. 539, is further amended to read:

12-A. Learning through technology. The commissioner may pay costs attributed to staff support consisting of one Education Team and Policy Director position, 2 Education Specialist III positions, one Planning and Research Associate I position, one Director of Special Projects position, 2 Education Specialist II positions, and system maintenance for a program that promotes learning through technology. A transfer of All Other funds from the General Purpose Aid for Local Schools account to ~~Personal Services and~~ the All Other line categories category in the Learning Through Technology General Fund nonlapsing account sufficient to support the ~~Personal Services and All Other costs of one Education Team and Policy Director position, 2 Education Specialist III positions, one Planning and Research Associate I position, one Director of Special Projects position, one Education Specialist II position,~~ the General Fund share of one Education Specialist II position and the agreement that provides one-to-one wireless computers for 7th grade, 8th grade and high school students and educators may occur annually by financial order upon recommendation of the State Budget Officer and approval of the Governor.

Sec. C-12. 20-A MRS §15689-A, sub-§16, as enacted by PL 2007, c. 539, is amended to read:

16. Transportation administration. The commissioner may pay costs attributed to staff ~~support one Education Specialist III position and system maintenance necessary to implement the transportation requirements of this chapter and chapter 215. A transfer of All Other funds from the General Purpose Aid for Local Schools account to Personal Services and All Other line categories in the Support Systems General Fund account sufficient to support the Personal Services and All Other costs of one Education Specialist III position may occur annually by financial order upon recommendation of the State Budget Officer and approval of the Governor.~~

Sec. C-13. 20-A MRS §15689-A, sub-§18, as amended by PL 2007, c. 539, is further amended to read:

18. Coordination of services for juvenile offenders. The commissioner may pay certain costs attributed to staff support consisting of 2 Education Specialist II positions and 2 Office Associate II positions and associated operating costs for providing coordination of education, treatment and other services for juvenile offenders at youth development centers in Charleston and South Portland. A transfer of All Other funds from the General Purpose Aid for Local Schools account to the ~~Personal Services and All Other line categories~~ category in the ~~Learning Systems Special Services Team~~ program General Fund account within the Department of Education sufficient to support the All Other costs for the above 2 Education Specialist II positions and 2 Office Associate II positions may occur annually by financial order upon recommendation of the State Budget Officer and approval of the Governor.

Sec. C-14. 20-A MRSA §15689-A, sub-§19, is enacted by to read:

19. Miscellaneous costs limitations. The amounts of the miscellaneous costs pursuant to this section are limited to the amounts appropriated by the Legislature for these costs.

Sec. C-15. 20-A MRSA §15690, sub-§1, as amended by PL 2005, c. 12, is further amended to read:

1. School administrative unit contribution to total cost of funding public education from kindergarten to grade 12. The legislative body of each school administrative unit may vote to raise and appropriate an amount up to its required contribution to the total cost of education as described in section 15688 except funds provided under Title XIV, the State Fiscal Stabilization Fund of the American Recovery and Reinvestment Act of 2009 (H.R. 1, P.L. 111-5) as part of the amount restored to a school administrative unit's fiscal years 2009, 2010, and 2011 share of general purpose aid as determined under this chapter shall be used to lower the school administrative units' required contribution to the total cost of education.

Sec. C-16. Mill expectation. The mill expectation pursuant to the Maine Revised Statutes, Title 20-A, section 15671-A for fiscal year 2009-10 is 6.73 and shall be lowered to 6.37 as a result of funds provided under Title XIV, the State Fiscal Stabilization Fund of the American Recovery and Reinvestment Act of 2009 (H.R. 1, P.L. 111-5) as part of the amount restored to school administrative units in fiscal year 2010.

Sec. C-17. 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 2009-10 is as follows:

	2009-10
	TOTAL
Total Operating Allocation	

Total operating allocation pursuant to the Maine Revised Statutes, Title 20-A, section 15683 without transitions percentage \$1,355,336,908

Total operating allocation pursuant to the Maine Revised Statutes, Title 20-A, section 15683 with 97% transitions percentage \$1,314,676,801

Total other subsidizable costs pursuant to the Maine Revised Statutes, Title 20-A, section 15681-A \$393,441,473

Total Operating Allocation

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 \$1,708,118,274

Total Debt Service Allocation

Total debt service allocation pursuant to the Maine Revised Statutes, Title 20-A, section 15683-A \$99,167,267

Total Adjustments and Miscellaneous Costs

Total adjustments and miscellaneous costs pursuant to the Maine Revised Statutes, Title 20-A, section 15689 and 15689-A \$74,860,695

Total Cost of Funding Public Education from Kindergarten to Grade 12

Total cost of funding public education from kindergarten to grade 12 for fiscal year 2009-10 pursuant to the Maine Revised Statutes, Title 20-A, chapter 606-B \$1,882,146,236

Sec. C-18. 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, 2009 and ending June 30, 2010 is calculated as follows:

	2009-10	2009-10
	LOCAL	STATE

**Local and State Contributions to the Total Cost of Funding
Public Education from Kindergarten to Grade 12**

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 \$923,174,744 \$958,971,492

Sec. C-19. Limit of State's obligation. If the State's continued obligation for any individual component contained in sections 17 and 18 of this Part 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-20. Authorization of payments. Sections 17 and 18 of this Part 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, 2009 and ending June 30, 2010.

Sec. C-21. Carrying balance; Management Information Systems program, General Fund account. Notwithstanding any other provision of law, any balance remaining from the \$3,500,000 appropriation in fiscal year 2007-08 to the Department of Education's Management Information Systems program, General Fund account in Public Law 2007, chapter 240, Part AA, section 22 to provide statewide support for certain operational efficiencies, such as GIS routing software and consolidated payroll and accounting systems, associated with school consolidation that carried forward to 2008-09 pursuant to Public Law 2007, chapter 539, part NN, section 1 does not lapse but must carry forward to June 30, 2011 to be used for the same purpose.

SUMMARY

This Part does the following:

It includes changes resulting from updated data from school administrative units and the changes in school administrative units that will be reorganized effective July 1, 2009.

It specifies a mill expectation of 6.73 for fiscal year 2009-2010 and the total cost of funding public education from kindergarten to grade 12, consisting of total debt service allocation, total adjustments and total miscellaneous costs, and state share percentage. It also authorizes the lowering of the mill expectation from 6.73 to 6.37 with funds provided under Title XIV, the State Fiscal Stabilization Fund of the American Recovery and Reinvestment Act of 2009 (H.R. 1, P.L. 111-5) as part of the amount restored to school administrative units in fiscal year 2010.

It authorizes the commissioner of the Department of Education to waive the requirement for school administrative units to provide transportation for public pre-school students.

It authorizes the commissioner of the Department of Education to exercise flexibility for regional adjustments based on labor markets, to expend and disburse funds for the innovative

schools project and to expend and disburse funds for Learning Through Technology, data management and support services for Essential Programs and Services, transportation administration and coordination of services for juvenile offenders.

It authorizes school administrative units to lower the required local contribution with funds provided under Title XIV, the State Fiscal Stabilization Fund of the American Recovery and Reinvestment Act of 2009 (H.R. 1, P.L. 111-5) as part of the amount restored to a school administrative unit's fiscal years 2009, 2010, and 2011 share of general purpose aid.