



125th MAINE LEGISLATURE

LD 1274

LR 29(02)

An Act To Restore Equity in Education Funding

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Education and Cultural Affairs

Fiscal Note Required: Yes

Fiscal Note

	FY 2011-12	FY 2012-13	Projections FY 2013-14	Projections FY 2014-15
Net Cost (Savings)				
General Fund	\$0	\$2,349,732	\$2,390,147	\$2,431,258
Appropriations/Allocations				
General Fund	\$0	\$2,349,732	\$2,390,147	\$2,431,258

Fiscal Detail and Notes

In the aggregate, this legislation will increase the total cost of K-12 public education by \$4,272,240 in fiscal 2012-13. This bill includes a General Fund appropriation of \$2,349,732 in fiscal year 2012-13 to the General Purpose Aid for Local Schools program within the Department of Education to fund the state's share.

Of that amount, applying a 10% reduction to the students-to-staff ratios for a school administrative unit (SAU) with a total attending student population of less than 1,200 beginning in fiscal year 2012-13 will increase the total state and local cost of K-12 public education by \$3,816,806 in fiscal year 2012-13 with the cost to fund the state's share of this requirement estimated to be \$2,099,243.

Additionally, excluding benefit costs for teachers and other school-levels staff from the calculation of salary costs in the determination of the regional adjustment in the total operating allocation for school administrative units will increase the total state and local cost of K-12 public education by \$455,434 in fiscal year 2012-13 with the state's share of this requirement estimated to be \$250,489.

Finally, this legislation provides an adjustment for certain school administrative units that are minimum subsidy receivers if the percentage of economically disadvantaged students in the SAU is greater than the state average. Although this provision will not increase the total state and local cost of K-12 public education beginning in fiscal year 2012-13, or the State's share of that cost, it will result in a redistribution of approximately \$2,046,553 in state subsidy with some SAU's receiving more subsidy than would have been received had this provision not been in place and some SAU's receiving less.

	Fiscal Year 2011-12	Fiscal Year 2012-13
Increase to total cost of K-12 Education ¹	\$ -	\$ 4,272,240
Transition %	0%	100%
Total cost adjusted for transition %	\$ -	\$ 4,272,240
State share (%)	0.00%	55.00%
State share (\$)	\$ -	\$ 2,349,732
Local share (\$)	\$ -	\$ 1,922,508

¹ Based on fiscal year 2011-12 federal funding anticipated to be received by school administrative units, increased by Real Personal Income growth of 1.72% per year per Title 20-A, §15671.