



# 125th MAINE LEGISLATURE

LD 139

LR 128(01)

## An Act To Eliminate the Penalty for Schools That Did Not Reorganize

### Preliminary Fiscal Impact Statement for Original Bill

Sponsor: Rep. Edgecomb of Caribou

Committee: Education and Cultural Affairs

Fiscal Note Required: Yes

### Preliminary Fiscal Impact Statement

	FY 2011-12	FY 2012-13	Projections FY 2013-14	Projections FY 2014-15
<b>Net Cost (Savings)</b>				
General Fund	\$4,300,000	\$0	\$0	\$0
<b>Appropriations/Allocations</b>				
General Fund	\$4,300,000	\$0	\$0	\$0

#### Fiscal Detail and Notes

The General Purpose Aid for Locals Schools program within the Department of Education will require a one-time General Fund appropriation of \$4,300,000 in fiscal year 2011-12 for the cost associated with reimbursing those local school administrative units that had their fiscal year 2011-12 state subsidy reduced for failing to comply with the laws governing school administrative unit reorganization. Because this legislation is not an emergency it will not take effect until 90 days after the adjournment of the 1st Regular Session of the 125th Legislature, or approximately October 2011. This fiscal note assumes that, since both the State's budget for fiscal year 2011-12 and the budgets of local school administrative units (SAU's) for the 2011-2012 school year will be set well before the effective date of this legislation, a General Fund appropriation will be provided so those school administrative units who did comply with the school reorganization laws will not be negatively impacted.

If the legislation in its final form does not include a General Fund appropriation of \$4.3 million the Department of Education will be required to recalculate the amount of subsidy to be distributed to local school administrative units in the 2011-2012 school year. This redistribution will result in conforming SAU's receiving less subsidy from the State than originally budgeted and non-conforming SAU's receiving more. However, there would be no net impact to the General Fund.