



# 129th MAINE LEGISLATURE

LD 1568

LR 2294(02)

## An Act Authorizing the Deorganization of Magalloway Plantation

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: State and Local Government

Fiscal Note Required: Yes

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### Fiscal Note

Contingent future biennium savings - General Fund

#### Fiscal Detail and Notes

This bill will become effective only if approved by the voters of Magalloway Plantation at the next general election to be held in November. If approved, the deorganization of Magalloway Plantation would take effect on July 1, 2021.

For purposes of this analysis, all other factors in the calculation of the total cost of K-12 public education and the State's contribution are assumed to be held constant. Given this assumption, the deorganization of Magalloway Plantation, currently a member of Regional School Unit (RSU) 78, will lower the total cost of K-12 public education beginning in fiscal year 2021-22 and result in savings to the General Purpose Aid for Local Schools program within the Department of Education. The amount of savings can not be determined at this time. For comparison purposes, the preliminary total cost allocation for Magalloway for the 2019-2020 school year is \$169,071. However, because Magalloway's required local contribution is expected to exceed its total allocation for this school year, the only state funding anticipated to be allocated for Magalloway is approximately \$14,264 for the minimum special education adjustment. The estimated loss in revenue to RSU 78 from local assessments to Magalloway Plantation is estimated to be approximately \$200,000 per year.

The Division of State Schools - Education in the Unorganized Territories program in the Department of Education will incur future General Fund expenditures to provide services to the Unorganized Territories. These expenditures would be ongoing and would be to provide schooling to students from Magalloway. The cost can not be determined at this time. The General Fund would be fully reimbursed for these costs by higher collections made through the Municipal Cost Component program.

Any additional costs incurred by Maine Revenue Services related to the deorganization of Magalloway Plantation can be absorbed within existing budgeted resources. The minor additional costs associated with the filing of certain election results can be absorbed by the Secretary of State utilizing existing budgeted resources. Any additional costs incurred by the Office of the State Auditor are expected to be minor and can be absorbed within existing budgeted resources.