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Date: (Filing No. H-)

EDUCATION AND CULTURAL AFFAIRS

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
132ND LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT “ ” to H.P. 1263, L.D. 1892, “An Act to Establish Procedures for School Construction Projects”

Amend the bill by striking out the title and substituting the following:

'An Act Regarding Funding for School Construction'

Amend the bill by striking out everything after the enacting clause and inserting the following:

'Sec. 1. 20-A MRSA §15905, sub-§1, ¶A, as amended by PL 2023, c. 462, §1, is further amended to read:

A. The state board may approve projects as long as no project approval will cause debt service costs, as defined in section 15672, subsection 2-A, paragraph A and pursuant to rules adopted in accordance with Resolve 2007, chapter 223, section 4, to exceed the maximum limits specified in Table 1 and Table 2 in subsequent fiscal years.

Table 1

	Major Capital	Integrated, Consolidated Secondary and Postsecondary Project
Fiscal year	Maximum Debt Service Limit	Maximum Debt Service Limit
1990	\$ 48,000,000	
1991	\$ 57,000,000	
1992	\$ 65,000,000	
1993	\$ 67,000,000	
1994	\$ 67,000,000	
1995	\$ 67,000,000	
1996	\$ 67,000,000	
1997	\$ 67,000,000	
1998	\$ 67,000,000	
1999	\$ 69,000,000	
2000	\$ 72,000,000	

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1	2001	\$ 74,000,000	
2	2002	\$ 74,000,000	
3	2003	\$ 80,000,000	
4	2004	\$ 80,000,000	
5	2005	\$ 84,000,000	
6	2006	\$ 90,000,000	
7	2007	\$ 96,000,000	
8	2008	\$100,000,000	
9	2009	\$104,000,000	
10	2010	\$108,000,000	
11	2011	\$126,000,000	
12	2012	\$116,000,000	
13	2013	\$116,000,000	
14	2014	\$126,000,000	\$10,000,000
15	2015	\$126,000,000	\$10,000,000
16	2016	\$126,000,000	\$10,000,000
17	2017	\$126,000,000	\$10,000,000
18	2018	\$126,000,000	\$10,000,000
19	2019	\$126,000,000	\$10,000,000
20	2020	\$126,000,000	\$20,000,000
21	2021	\$126,000,000	\$20,000,000
22	2022	\$126,000,000	\$20,000,000
23	2023	\$126,000,000	\$20,000,000

Table 2

Fiscal year	Maximum Debt Service Limit
2024	\$150,000,000
2025	\$150,000,000
2026	\$150,000,000
2027	\$150,000,000
<u>2028</u>	<u>\$188,779,298</u>
<u>2029</u>	<u>\$194,442,677</u>
<u>2030</u>	<u>\$200,275,957</u>
<u>2031</u>	<u>\$206,284,236</u>

Sec. 2. 20-A MRSA §15905, sub-§1, ¶C is enacted to read:

C. Beginning in fiscal year 2027-28 and in each subsequent fiscal year, debt service costs paid by the department above the fiscal year 2027-28 maximum debt service limit established in paragraph A may not be included in the total cost of education calculated pursuant to chapter 606-B. For the purposes of this paragraph, "debt service costs" has the same meaning as in section 15672, subsection 2-A and includes principal and interest costs for approved major capital projects, excluding payments made with funds from state and local government accounts established under the federal Internal Revenue Code of 1986 and regulations for disposition of excess, unneeded proceeds of bonds issued for a school project and excluding any principal and interest costs attributable to a school closed for lack of need pursuant to chapter 202.

Sec. 3. 20-A MRSA §15919 is enacted to read:

1 **§15919. School Construction Accelerator Fund**

2 **1. Fund established.** The School Construction Accelerator Fund, referred to in this
3 section as "the fund," is established as a nonlapsing fund within the department and
4 operated in conjunction with the state board for the purpose of awarding funding to school
5 administrative units for immediate heating, ventilation or air-conditioning system repair
6 needs or roof repair needs in schools.

7 **2. Rulemaking.** The state board, in consultation with the department, shall adopt rules
8 for the awarding of funds to school administrative units from the fund, which must include
9 award eligibility guidelines. Rules adopted under this subsection are routine technical rules
10 as defined in Title 5, chapter 375, subchapter 2-A.

11 **3. Funding.** Beginning in fiscal year 2027-28 and in each subsequent fiscal year, the
12 State Controller shall transfer to the fund 50% of the unobligated balances from amounts
13 appropriated for general purpose aid for local schools that would otherwise be carried
14 forward.

15 **Sec. 4. 30-A MRSA §6006-F, sub-§2, ¶A,** as enacted by PL 1997, c. 787, §13, is
16 amended to read:

17 A. Sums that may be appropriated by the Legislature or transferred to the fund by the
18 Treasurer of State and funds that may be provided pursuant to subsection 2-A;

19 **Sec. 5. 30-A MRSA §6006-F, sub-§2-A** is enacted to read:

20 **2-A. Funding.** At the end of fiscal year 2026-27 and the close of each fiscal year
21 thereafter, the State Controller shall transfer to the fund up to \$50,000,000 from the
22 unbudgeted lapsed General Fund balances at the close of each fiscal year and the remaining
23 balance for a total of \$50,000,000 from the unbudgeted surplus of the General Fund.

24 **Sec. 6. Cost-sharing formula; rulemaking.** No later than July 1, 2027, the State
25 Board of Education shall, in consultation with the Department of Education, adopt rules
26 establishing a cost-sharing formula for funding major school construction projects. The
27 formula must take into account a municipality's ability to pay and a school administrative
28 unit's consolidation policies and include a timeline for implementation. The rules must
29 apply only to projects submitted to the state board for approval on or after July 1, 2027.
30 Rules adopted under this section are major substantive rules as defined in the Maine
31 Revised Statutes, Title 5, chapter 375, subchapter 2-A.

32 **Sec. 7. Department of Education and Maine Municipal Bond Bank to**
33 **adopt rules; School Revolving Renovation Fund.** The Department of Education and
34 the Maine Municipal Bond Bank shall adopt rules to increase to \$8,000,000 the limit on
35 the maximum loan amount from the School Revolving Renovation Fund, established in the
36 Maine Revised Statutes, Title 30-A, section 6006-F, to address each priority in a school
37 building within a 5-year period. Notwithstanding Title 30-A, section 6006-F, subsection
38 8, rules adopted pursuant to this section are routine technical rules as defined in Title 5,
39 chapter 375, subchapter 2-A.

40 **Sec. 8. Department of Education to convene working group; report.** The
41 Department of Education shall convene a working group to make recommendations related
42 to school construction. The membership of the working group must include the following:

- 43 1. The Commissioner of Education or the commissioner's designee;

- 1 2. The Commissioner of Administrative and Financial Services or the commissioner's
- 2 designee;
- 3 3. One member representing the Maine Health and Higher Educational Facilities
- 4 Authority;
- 5 4. The chair of the State Board of Education;
- 6 5. One superintendent at a public school in the State;
- 7 6. One member representing the Maine Municipal Association; and
- 8 7. One member who served on the Governor's Commission on School Construction,
- 9 established by Executive Order 1 FY 24/25.

10 The working group shall make recommendations related to any objectives, strategies
 11 and actions identified by the Governor's Commission on School Construction in a report
 12 issued by the commission February 10, 2026. The working group shall additionally make
 13 recommendations related to administrative and financial changes, including any suggested
 14 legislation, necessary to increase school construction in the State. The Department of
 15 Education shall submit a report related to the findings and recommendations of the working
 16 group to the joint standing committee of the Legislature having jurisdiction over education
 17 matters, to the joint standing committee of the Legislature having jurisdiction over
 18 appropriations and financial affairs and to the Governor by January 15, 2027. The joint
 19 standing committee having jurisdiction over education matters may report out a bill related
 20 to the report to the 133rd Legislature in 2027.

21 **Sec. 9. Appropriations and allocations.** The following appropriations and
 22 allocations are made.

23 **EDUCATION, DEPARTMENT OF**

24 **School Construction Accelerator Fund N579**

25 Initiative: Provides a baseline allocation for the purpose of awarding funding to school
 26 administrative units for immediate heating, ventilation or air conditioning system repair
 27 needs or roof repair needs in schools.

28 OTHER SPECIAL REVENUE FUNDS	2025-26	2026-27
29 All Other	\$0	\$500
30		
31 OTHER SPECIAL REVENUE FUNDS TOTAL	\$0	\$500

32 '

33 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section
 34 number to read consecutively.

35 **SUMMARY**

36 This amendment, which is the majority report of the committee, replaces the bill and
 37 changes the title. It makes the following changes to the laws regarding school construction.

- 38 1. It provides that the maximum debt service limit for approved school construction
- 39 projects is increased to \$188,779,298 in fiscal year 2028; \$194,442,677 in fiscal year 2029;
- 40 \$200,275,957 in fiscal year 2030; and \$206,284,236 in fiscal year 2031.

COMMITTEE AMENDMENT

