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Legislative Document

No. 1449

H.P. 1065

House of Representatives, April 12, 2021

An Act To Provide for Education Funding Reform for More Equitable State Support to Communities

Received by the Clerk of the House on April 8, 2021. Referred to the Committee on Education and Cultural Affairs pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

A handwritten signature in cursive script that reads "Robert B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative GEIGER of Rockland.

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

CONCEPT DRAFT

SUMMARY

This bill is a concept draft pursuant to Joint Rule 208.

This bill proposes to make changes to the school funding formula to create a more fair and equitable system of state funding for education by:

1. Adding a per capita income adjustment to the school funding formula;
2. Establishing a state per-pupil contribution rate equal to 46% of the cost of educating each student in each school administrative unit with additional funding provided to school administrative units with low property valuations and low per capita income;
3. Providing additional funding outside of the school funding formula for service center communities to adjust for disparities created among communities by the school funding formula; or
4. Adopting a version of one of the following models:
 - A. The foundation grant model, in which the State determines a minimum amount that should be spent for each student, calculates the ability of a school administrative unit to pay for each student and provides funding for the difference to each school administrative unit;
 - B. The guaranteed tax base model, in which the State guarantees that each municipality will raise a guaranteed amount of funding per student at a given rate of property taxation. The State provides funding to a municipality for the difference between the guaranteed amount of funding and the amount actually raised;
 - C. The centralized model, in which a standard property tax rate to fund the cost of education is set by the State and the State provides a standard per-pupil amount of funding to each school administrative unit; or
 - D. The Vermont model, in which the State sets property tax rates and bills property owners to fund the cost of education with a lower rate for homesteads. The State provides funding for education on a per-pupil basis with certain adjustments, including a poverty adjustment. Local school districts may raise additional funds through property taxation to supplement funding provided by the State, subject to certain requirements and limits.

The bill also proposes, until such time as a more equitable change in the school funding formula takes place, that any money to fund education provided in addition to the money annually directed by the school funding formula, including COVID-19 relief funds, must be apportioned to each school administrative unit on a per-pupil basis.