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## **An Act To Amend the School Funding Formula Regarding School Administrative Units That Are Eligible for the Minimum State Share of Their Total Allocation**

**Emergency preamble.** Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

**Whereas,** a number of school administrative units across the State do not qualify for significant levels of state subsidy from the general purpose aid for local schools program because the relative property fiscal capacity of the municipalities in these school administrative units as defined by the Essential Programs and Services Funding Act results in the designation of these school administrative units as so-called minimum subsidy receivers; and

**Whereas,** many school administrative units that are designated as so-called minimum subsidy receivers are comprised of municipalities where the income levels of residents are below the statewide average for income and where a significant percentage of resident students qualify for free or reduced price lunch, which is the federally recognized metric for students that are considered economically disadvantaged; and

**Whereas,** the enactment of this legislation is necessary to provide an adjustment to the level of state subsidy that may be provided to school administrative units that are designated so-called minimum subsidy receivers when the income levels of municipal residents are below the statewide average for income and when the school administrative unit has a significant number of resident students who qualify as economically disadvantaged students; and

**Whereas,** in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore, be it

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

**Sec. 1. 20-A MRSA §15689, sub-§1-C** is enacted to read:

**1-C. Adjustments to state contributions to economically disadvantaged school administrative units.** Beginning in fiscal year 2009-10, a school administrative unit that is eligible for the minimum state share of its total allocation as calculated pursuant to subsection 1, paragraph A is eligible for further adjustments to the state share of its total allocation as set forth in this subsection.

**A. A school administrative unit is eligible for an adjustment as computed under paragraph B if:**

**(1) The local median household income of each municipality in the school administrative unit is less than the statewide median household income; and**

(2) At least 30% of the students in the school administrative unit are economically disadvantaged students as calculated pursuant to section 15675, subsection 2.

For purposes of this paragraph, "median household income" means the median income computed based on the most current census information available, as provided by the Executive Department, State Planning Office.

B. If a school administrative unit meets the eligibility criteria in paragraph A, the state share of its total allocation must be adjusted pursuant to this paragraph.

(1) For a school administrative unit in which at least 30% but less than 40% of its students are determined to be economically disadvantaged as calculated pursuant to section 15675, subsection 2, the school administrative unit's state share of its total allocation must be adjusted to provide the school administrative unit with an EPS per-pupil rate that is no less than 35% of the statewide average EPS per-pupil rate for the fiscal year.

(2) For a school administrative unit in which at least 40% but less than 50% of its students are determined to be economically disadvantaged as calculated pursuant to section 15675, subsection 2, the school administrative unit's state share of its total allocation must be adjusted to provide the school administrative unit with an EPS per-pupil rate that is no less than 45% of the statewide average EPS per-pupil rate for the fiscal year.

(3) For a school administrative unit in which at least 50% of its students are determined to be economically disadvantaged as calculated pursuant to section 15675, subsection 2, the school administrative unit's state share of its total allocation must be adjusted to provide the school administrative unit with an EPS per-pupil rate that is no less than 50% of the statewide average EPS per-pupil rate for the fiscal year.

(4) For a school administrative unit that is experiencing exceptional or unusual economic hardship as determined by the commissioner and based on criteria established by the commissioner, the commissioner may recommend an additional adjustment to the state share of the school administrative unit's total allocation. For each case in which the commissioner has determined that such an exceptional or unusual economic hardship exists, the commissioner shall provide the joint standing committee of the Legislature having jurisdiction over education matters with the basis for recommending the additional adjustment and the amount of the recommended adjustment.

An adjustment under this subsection must be an adjustment to the school administrative unit's state allocation in addition to the adjustment for debt service pursuant to subsection 2.

**Emergency clause.** In view of the emergency cited in the preamble, this legislation takes effect when approved.

## SUMMARY

This bill provides that a school administrative unit that is eligible for the minimum state share of its total allocation under the Essential Programs and Services Funding Act may also be eligible for an additional adjustment when the school administrative unit meets certain eligibility criteria for an economically disadvantaged school administrative unit:

1. The local median household income of each municipality in the school administrative unit is less than the statewide median household income; and.

2. At least 30% of the students in the school administrative unit are economically disadvantaged students as calculated pursuant to the Maine Revised Statutes, Title 20-A, section 15675, subsection 2.

A school administrative unit that meets these eligibility criteria must receive an additional adjustment to the state share of its total allocation.