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An Act To Ensure Equity in Teacher Retirement Costs for Private Academies

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

Whereas, this legislation needs to take effect before the expiration of the 90-day period in order to be in place in time to apply to the 2013-2014 school year; 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 enacted by the People of the State of Maine as follows:

Sec. 1. 20-A MRSA §5806, sub-§2, as amended by PL 2013, c. 368, Pt. C, §3 and c. 418, §1, is repealed and the following enacted in its place:

2. Maximum allowable tuition. The maximum allowable tuition charged to a school administrative unit by a private school is the rate established under subsection 1 or the state average per public secondary student cost as adjusted, whichever is lower, plus an insured value factor. The insured value factor is computed by dividing 5% of the insured value of school buildings and equipment by the average number of pupils enrolled in the school on October 1st and April 1st of the year immediately before the school year for which the tuition charge is computed. From school year 2009-2010 to school year 2013-2014, a school administrative unit is not required to pay an insured value factor greater than 5% of the school's tuition rate or \$500 per student, whichever is less, unless the legislative body of the school administrative unit votes to authorize its school board to pay a higher insured value factor that is no greater than 10% of the school's tuition rate per student. For the 2014-2015 school year, a school administrative unit is not required to pay an insured value factor greater than 6% of the school's tuition rate per student, unless the legislative body of the school administrative unit votes to authorize its school board to pay a higher insured value factor that is no greater than 10% of the school's tuition rate per student. Beginning in the 2015-2016 school year, a school administrative unit is not required to pay an insured value factor greater than the amount of the prior school year's insured value factor adjusted by a percentage equal to the percentage change in the state share percentage of the total cost of funding public education in the prior school year as determined by section 15671, subsection 7, paragraph C as compared to the applicable percentage for the current school year. In no case may the insured value factor be less than 6% or greater than 10% of the school's tuition rate per student, unless the legislative body of the school administrative unit votes to authorize its school board to pay an insured value factor that exceeds the amount otherwise permitted by this subsection by no more than 5% of the school's tuition rate per student. For the 2013-2014 school year only, the maximum allowable tuition charged to a school administrative unit by a private school that participates in the Maine Public Employees Retirement System must be increased above the amount otherwise permitted under this section by an amount equal to 60% of the calculated normal cost of teacher retirement for that school divided by the number of enrolled

students as of October 1, 2012. The remaining 40% must be paid by the private school. Any overpayments made by a school administrative unit in the 2013-2014 school year must be remitted back to that school administrative unit within the first quarter of fiscal year 2014-15.

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

SUMMARY

This bill provides that, for the 2013-2014 school year only, the maximum allowable tuition charged to a school administrative unit by a private school that participates in the Maine Public Employees Retirement System must be increased above the amount otherwise permitted by an amount equal to 60% of the calculated normal cost of teacher retirement for that school divided by the number of enrolled students as of October 1, 2012. Current law allows this increase in the maximum allowable tuition for the 2013-2014 and 2014-2015 school years and allows the entire cost of teacher retirement to be recovered through the tuition increase. The bill also corrects a conflict that was created when 2 public laws amended the same provision of law.