



125th MAINE LEGISLATURE

FIRST REGULAR SESSION-2011

Legislative Document

No. 1017

H.P. 753

House of Representatives, March 10, 2011

**An Act To Improve the Essential Programs and Services Funding
Model by Providing for a Cost of Housing Adjustment**

Reference to the Committee on Education and Cultural Affairs suggested and ordered printed.

A handwritten signature in cursive script that reads "Heather J.R. Priest".

HEATHER J.R. PRIEST
Clerk

Presented by Representative LOVEJOY of Portland.
Cosponsored by Senator BLISS of Cumberland and
Representatives: CORNELL du HOUX of Brunswick, KRUGER of Thomaston,
MacDONALD of Boothbay, NELSON of Falmouth, PILON of Saco, Senators: ALFOND of
Cumberland, COURTNEY of York.

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

2 **Sec. 1. 20-A MRSA §15676, sub-§1**, as amended by PL 2005, c. 2, Pt. D, §39
3 and affected by §§72 and 74 and c. 12, Pt. WW, §18, is further amended to read:

4 **1. Teaching staff costs.** The salary and benefit costs for school level teaching staff
5 that are necessary to carry out this Act, calculated in accordance with section 15678,
6 adjusted by the regional adjustment under section ~~15682~~ 15682-A and reduced by the
7 amount of funds received by the school administrative unit during the most recent fiscal
8 year under Title 1 of the federal Elementary and Secondary Act of 1965, 20 United States
9 Code, Section 6301 et seq.;

10 **Sec. 2. 20-A MRSA §15676, sub-§2**, as amended by PL 2005, c. 2, Pt. D, §39
11 and affected by §§72 and 74 and c. 12, Pt. WW, §18, is further amended to read:

12 **2. Other staff costs.** The salary and benefit costs for ~~school level~~ school level staff
13 who are not teachers, but including substitute teachers, that are necessary to carry out this
14 Act, calculated in accordance with section 15679, adjusted by the regional adjustment
15 under section ~~15682~~ 15682-A and reduced by the amount of funds received by the school
16 administrative unit during the most recent fiscal year under Title 1 of the federal
17 Elementary and Secondary Act of 1965, 20 United States Code, Section 6301 et seq.; and

18 **Sec. 3. 20-A MRSA §15682**, as amended by PL 2009, c. 213, Pt. C, §6, is
19 repealed.

20 **Sec. 4. 20-A MRSA §15682-A** is enacted to read:

21 **§15682-A. Regional adjustment beginning in fiscal year 2013-14**

22 Beginning in fiscal year 2013-14, the commissioner shall make a regional adjustment
23 in the total operating allocation for each school administrative unit determined pursuant
24 to section 15683. The regional adjustment must be based on the regional differences in
25 the cost of housing within each county in the State, as computed by a statewide education
26 policy research institute, and must be applied only to appropriate teacher salary and
27 benefits costs as calculated under section 15678 and salary and benefit costs of other
28 school level staff who are not teachers as calculated under section 15679.

29 **Sec. 5. Transition plan.** The Commissioner of Education, in conjunction with the
30 Maine Education Policy Research Institute, shall prepare a transition plan that addresses
31 the development of the regional adjustment that is based on a cost of housing factor
32 pursuant to the Maine Revised Statutes, Title 20-A, section 15682-A. In preparing this
33 transition plan, the Commissioner of Education and the Maine Education Policy Research
34 Institute shall:

35 1. Conduct a review of the best practices in other states and jurisdictions that include
36 the cost of housing as a factor in determining regional costs for providing public
37 education;

1 2. Design a method that most accurately reflects the differences in the cost of
2 housing, including consideration of median home prices and other relevant costs, for
3 teachers who are employed in school administrative units that are located in each county
4 in the State;

5 3. Consult with the Maine State Housing Authority, an association of state realtors,
6 the Executive Department, State Planning Office and other organizations to determine the
7 availability of valid and reliable data on the cost of housing in counties in the State, as
8 well as the procedures necessary to review and update the cost of housing factor on an
9 annual basis;

10 4. Recommend an implementation plan for the regional adjustment based on the cost
11 of housing factor that provides that:

12 A. The statewide allocation of state subsidies provided under the regional adjustment
13 based on the cost of housing factor in fiscal year 2013-14 is reasonably consistent
14 with the regional adjustment based on costs of teacher salary and benefits pursuant to
15 Title 20-A, section 15682; and

16 B. In fiscal year 2014-15 and in subsequent fiscal years, the statewide allocation of
17 state subsidies provided under the regional adjustment based on the cost of housing
18 factor gradually reflects the differences in teacher salaries and in the cost of housing
19 that teachers face when they accept positions to teach in schools located in the
20 various counties of the State; and

21 5. Propose any necessary changes to the regional adjustment that is based on a cost
22 of housing factor and make any additional recommendations on related cost components
23 contained in the Essential Programs and Services Funding Act.

24 **Sec. 6. Report.** No later than January 3, 2012, the Commissioner of Education and
25 the Maine Education Policy Research Institute shall submit a report that includes their
26 findings and recommendations under section 5, including any suggested legislation, to the
27 Joint Standing Committee on Education and Cultural Affairs. The Joint Standing
28 Committee on Education and Cultural Affairs may submit a bill to the Second Regular
29 Session of the 125th Legislature related to the policy issues addressed in that report.

30 **Sec. 7. Effective date.** Those sections of this Act that repeal the Maine Revised
31 Statutes, Title 20-A, section 15682, enact Title 20-A, section 15682-A and amend Title
32 20-A, section 15676, subsections 1 and 2 take effect July 1, 2013.

33 SUMMARY

34 This bill requires that, beginning in fiscal year 2013-14, the regional adjustment to
35 the salary and benefits costs of teachers and other school personnel be based on the cost
36 of housing in the counties in the State. The bill also directs the Commissioner of
37 Education, in conjunction with the Maine Education Policy Research Institute, to prepare
38 a transition plan that addresses the development of the regional adjustment that is based
39 on a cost of housing factor.