



STATE OF MAINE
DEPARTMENT OF EDUCATION
23 STATE HOUSE STATION
AUGUSTA, ME 04333-0023

JANET T. MILLS
GOVERNOR

PENDER MAKIN
COMMISSIONER

April 13, 2021

Senator Joseph Rafferty, Co-chair
Representative Michael Brennan, Co-chair
Members of the Joint Standing Committee on Education and Cultural Affairs

Dear Senator Rafferty, Representative Brennan, and Members of the Joint Committee,

LD 1114, An Act To Require the State To Meet the 55% Contribution to Schools. This bill increases the state share target for General Purpose Aid from the 51.83% enacted in the 2022-2023 biennial budget to 55% for the first year of the biennium. The bill also directs the 55% state share to be maintained annually.

This Committee presented a 55% state share recommendation in its biennial budget report back to the Appropriations Committee earlier this session. That report included a request for the additional appropriation of \$75.7 million needed to achieve this goal.

This bill also repeals statutory language which calculates a state share percentage based on the state's contribution to the unfunded actuarial liability of the Maine Public Employees Retirement System (UAL). In the current year, the state share percentage including the UAL is 56.07% and 56.30% for FY 2022.

Finally, this bill amends statutory language regarding the growth in the calculation of the insured value factor (IVF) that private schools may charge of sending school units to support facility costs. Currently, the annual growth in IVF is calculated based on the change in state share percentage as calculated including the state's contribution to the UAL. Per Title 20-A, §5806, IVF may not be greater than 6% or less than 10% of the school's tuition rate, unless the governing body of the sending school votes to pay a higher rate again, within the statutory limitations. Enactment of the language as written in this bill would change the calculation to the growth in state share excluding the state's contribution to UAL. The result would be that once a 55% state share is reached and maintained, as directed by the bill language, there would be no growth in the IVF amount charged by private schools without a vote by the governing body of the sending school unit.

The Maine Department of Education is happy to provide additional information on LD 1114 and respond to questions during the upcoming work session.

Sincerely,

DocuSigned by:
Joanne Allen

Joanne Allen, Director
School Finance and Operations

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