

120th Legislature LD 2103 HP1602

Education and Cultural Affairs

An Act Regarding Essential Programs and Services.

(Submitted by the Joint Standing Committee on Education and Cultural Affairs pursuant to Joint Order 2001, H.P. 1579.) **Public Hearing**

02/21/02. Majority (OTP-AM) Accepted 03/26/02. **Amended by:** CA H-1002, SA/CA S-540. **Final disposition:** Enacted, Signed 04/10/02, PUBLIC LAWS, Chapter 660.

LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE

ONE HUNDRED AND TWENTIETH LEGISLATURE

SECOND REGULAR SESSION
January 2, 2002 to April 25, 2002

THE GENERAL EFFECTIVE DATE FOR
SECOND REGULAR SESSION
NON-EMERGENCY LAWS IS
JULY 25, 2002

PUBLISHED BY THE REVISOR OF STATUTES
IN ACCORDANCE WITH MAINE REVISED STATUTES ANNOTATED,
TITLE 3, SECTION 163-A, SUBSECTION 4.

J.S. McCarthy Company
Augusta, Maine
2002

sioner shall establish a separate grievance process for addressing complaints by prisoners about their medical and mental health treatment.

See title page for effective date.

CHAPTER 660

H.P. 1602 - L.D. 2103

An Act Regarding Essential Programs and Services

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

Sec. 1. 20-A MRSA c. 606-B is enacted to read:

CHAPTER 606-B

ESSENTIAL PROGRAMS AND SERVICES

§15671. Essential programs and services

Essential programs and services are those educational resources that are identified in this chapter for all students to meet the standards in the 8 content standard subject areas of the system of learning results established in chapter 222. In order to achieve this system of learning results, school funding based on essential programs and services must be available in all schools on an equitable basis. Essential programs and services utilize resources including federal funds that are currently provided or could be adapted to implement a system of learning results, as well as additional resources that are also needed to ensure that these programs and services are available to all students. These essential programs and services must provide the basis for the system of school funding no later than 2007-08. School funding must be adequate to fully provide for all of the staffing and other material resource needs of the essential programs and services identified by the Legislature.

1. State and local partnership. The State and each local school administrative unit are jointly responsible for contributing to the cost of the components of essential programs and services described in this chapter. The state contribution to the cost of the components of essential programs and services, exclusive of federal funds that are provided and accounted for in the cost of the components of essential programs and services, must be made in accordance with this subsection:

A. The level of the state share of funding attributable to the cost of the components of essential programs and services must be at least 50% of eligible state and local General Fund education

costs statewide, no later than fiscal year 2007-08; and

B. Beginning in fiscal year 2003-04 and in each fiscal year until fiscal year 2007-08, the level of the state share of funding attributable to the cost of the components of essential programs and services must increase toward the 50% level of eligible state and local General Fund education costs.

Beginning in fiscal year 2003-04 and in each fiscal year thereafter, the commissioner shall use the funding level determined in accordance with this section as the basis for a recommended funding level for the state share of the cost of the components of essential programs and services.

2. Per-pupil guarantee amounts. A per-pupil guarantee represents the amount of funds that is to be made available for each subsidizable pupil. Three per-pupil guarantee amounts must be calculated, reflecting grade level cost differences: one for kindergarten to grade 5, one for grades 6 to 8 and one for grades 9 to 12. These per-pupil guarantees must be modified as appropriate for special student populations. The per-pupil guarantee represents the annual cost of staffing and material resources that are appropriately allocated on a per-pupil basis. Categories of staffing and resources are as follows:

A. School personnel, including regular and special subject teachers, educational technicians, guidance, library, health services, school administration, support or clerical staff and substitute teachers;

B. Supplies and equipment;

C. Specialized services, including professional development, instructional leadership support, student assessment, technology and cocurricular and extracurricular programs; and

D. School administrative unit services, including system administration and operation and maintenance of plant.

3. Specialized student populations. In recognition that educational needs can be more costly for some student populations than for others, modified per-pupil guarantee amounts or weighted pupil counts must be calculated for specialized student populations. The specialized student populations to be addressed are:

A. Special education students;

B. Limited English proficiency students;

C. Economically disadvantaged students; and

D. Students in kindergarten to grade 2.

4. Educational cost components outside the per-pupil guarantee. A per-pupil guarantee is not a suitable method for allocation of all educational cost components. These components may include, but are not limited to, debt service, transportation, bus purchases, vocational education, small school adjustments, teacher educational attainment and longevity of service and adjustments to general purpose aid. The funding methodology of these educational cost components must be established based on available research.

5. Local control of expenditures. Except for those components that are targeted funds, funds provided for the essential programs and services described in this section must be distributed as general purpose aid for local schools, and each school administrative unit shall make its own determination regarding the configuration of resources best suited for its pupils and how to allocate available funds for these resources.

6. Targeted funds. Funds for technology, assessment and the costs of additional investments in educating children in kindergarten to grade 2 must be provided as targeted grants. School administrative units shall submit a plan for the use of these funds and shall receive funding based on approval of the plan by the commissioner.

Sec. 2. Recommended funding levels for fiscal year 2003-04. In addition to the fiscal year 2003-04 funding level that is recommended by the Commissioner of Education to the Governor as prescribed in the Maine Revised Statutes, Title 20-A, section 15605, the Commissioner of Education shall also recommend at the same time an alternative funding level for fiscal year 2003-04 for consideration by the State Board of Education, the Governor and the Legislature.

1. Basis. The alternative funding level for fiscal year 2003-04 must be based on the essential programs and services funding model, as described in the Maine Revised Statutes, Title 20-A, chapter 606-B, and must contain the elements described in more detail in the report issued by the State Board of Education to the 119th Legislature pursuant to Public Law 1997, chapter 24, Part X, with any refinements and updates to those elements that have been endorsed by the State Board of Education prior to the time of the Commissioner of Education's recommendation for fiscal year 2003-04, provided those refinements and updates are consistent with the report on school funding issued in January 2002 by the Joint Standing Committee on Education and Cultural Affairs.

2. Public input. Prior to the determination by the State Board of Education of the elements of essential programs and services to be used in the Commissioner of Education's recommended alternative funding level for fiscal year 2003-04, the State Board of Education in conjunction with the Commissioner of Education shall hold such public forums on the proposed elements as are appropriate to inform and solicit input from key stakeholders and the public.

3. Issues identified by Commissioner of Education. If the Commissioner of Education, in developing the recommended alternative funding level for fiscal year 2003-04, identifies issues that have not been sufficiently addressed by the prior reports and actions of the State Board of Education, then the commissioner may recommend resolutions to these issues in the presentation of the alternative funding level for fiscal year 2003-04.

4. Revisions to school finance laws. With the recommended alternative funding level for fiscal year 2003-04, the Commissioner of Education shall present to the State Board of Education and to the Legislature any proposed statutory language necessary to implement the essential programs and services funding model, beginning in fiscal year 2003-04. This proposed statutory language must include the consolidation and simplification of existing laws regarding school finance. The Commissioner of Education may request drafting assistance to be performed prior to the convening of the 121st Legislature from the Legislative Council in drafting any proposed statutory language to amend the existing school finance laws. Upon approval of the Legislative Council, the Office of Policy and Legal Analysis shall provide the necessary drafting assistance.

Sec. 3. Phase-in. The essential programs and services approach to school funding must be phased in over a period of time beginning in fiscal year 2003-04. The essential programs and services approach to school funding must be fully implemented by fiscal year 2007-08. The details of this phase-in plan must be presented to the State Board of Education and the Legislature in conjunction with the Commissioner of Education's recommended alternative funding level for fiscal year 2003-04. The phase-in plan must address the relation between the essential program and services funding model and the levels of state funding necessary to reach a state share of funding of at least 50% of eligible general fund education costs state-wide, exclusive of federal funds accounted for under the model.

Sec. 4. Subsidy cushions. During the phase-in period described in this Act, the impact of any reduction in subsidy between consecutive years for any school administrative unit must be cushioned. Because such cushions are inequitable, the level of the

cushion must decline each year, with cushions related to the phase-in of the essential programs and services approach to school funding ending no later than fiscal year 2007-08.

Sec. 5. Best practices. The State Board of Education shall provide for ongoing research to identify those best practices in schools that increase student performance or improve efficient operation and use of resources. The State Board of Education, in its report on essential programs and services to the joint standing committee of the Legislature having jurisdiction over education and cultural affairs, shall provide information about best methods for promoting the use of these practices in school administrative units.

Sec. 6. Report. By January 15, 2003, the State Board of Education and the Commissioner of Education shall report to the joint standing committee of the Legislature having jurisdiction over education and cultural affairs with recommendations and proposed statutory language for full implementation of a system of school funding and accountability for resources based on essential programs and services, including comprehensive revisions to the current school finance laws. In conjunction with the State Board of Education, the Education Research Institute shall examine what basis there may be for recognizing legitimate regional differences. The report and the accompanying proposed statutory language must include, but are not limited to, any recommendations as appropriate on the following:

1. Determination of component costs. Methods of determining costs for each of the components described in this Act;

2. Adjustments to component costs. Periodic adjustments to these components and to the calculated costs;

3. Implementation strategies. Strategies for implementing the findings and recommendations of follow-up studies on essential programs and services previously directed by the Legislature;

4. Regional cost adjustment. A regional cost adjustment for legitimate regional differences in the cost of components, including what basis there may be for recognizing legitimate regional differences in the essential programs and services model;

5. Recruitment and retention adjustment. Any adjustments for educator recruitment and retention through equitable compensation;

6. Tax effort. The impact of essential programs and services on tax effort; and

7. State share. A transition plan to full implementation of this new funding system, including the 50% state share of eligible state and local General Fund education costs statewide, beginning in fiscal year 2003-04 and completed no later than fiscal year 2007-08.

The State Board of Education and the Commissioner of Education may introduce legislation related to their report to the First Regular Session of the 121st Legislature at the time of submission of their report.

Sec. 7. Waiver. Notwithstanding any other provision of law, a school administrative unit or a private school approved for tuition that enrolls at least 60% publicly funded students may apply for a waiver from compliance with the local assessment system provisions required in the Maine Revised Statutes, Title 20-A, section 6202-A or with the time-line requirements for implementation of the standards in the content areas of career preparation, foreign languages and visual and performing arts as required in Title 20-A, section 6209, subsection 3.

1. Application. The application for a waiver of these requirements must contain the following:

A. Documentation of actions taken to meet the requirements prior to applying for the waiver;

B. A description of the unforeseen circumstances or undue hardships that led to the application;

C. A statement of financial hardship, if applicable; and

D. The plan that the school administrative unit or the private school will implement to come into compliance with the requirements of the applicable statute.

2. Actions of the Commissioner of Education. The Commissioner of Education may grant the waiver in the following circumstances:

A. Based on the receipt of an application for a waiver that contains the information described in subsection 1, paragraphs A, C and D, the Commissioner of Education shall grant a one year waiver from the requirements of the Maine Revised Statutes, Title 20-A, section 6202-A, subsection 3 or 4 so that student achievement of the content standards of the system of learning results in health and physical education, science and technology and social studies is not required for high school graduation in the school administrative unit or the private school until the 2007-2008 school year;

B. Upon finding that due to unforeseen circumstances or undue hardships, including financial hardship, the school administrative unit or private school is unable to comply with the applicable statute and that the compliance plan that the school administrative unit or private school has submitted is reasonable; or

C. Upon finding that student performance in the school administrative unit or private school exceeds expectations and that there is a personal learning plan aligned with the system of learning results developed for each student in the school administrative unit or private school.

Sec. 8. Implementation analysis. The Task Force to Review the Status of Implementation of the System of Learning Results, referred to in this section as the "task force," is established to study and assess the status of implementation of the system of learning results in schools throughout the State.

1. Membership. The task force consists of the following 13 members:

A. The Commissioner of Education or the commissioner's designee;

B. The Chair of the State Board of Education or the chair's designee;

C. Two superintendents appointed by the Maine School Superintendents Association;

D. Two school board members appointed by the Maine School Boards Association;

E. Two principals appointed by the Maine Principals' Association;

F. Four teachers appointed by the Maine Education Association; and

G. One member of the Maine Coalition for Excellence in Education appointed by the Maine Coalition for Excellence in Education.

2. Chair. The task force shall select a chair at the first meeting of the task force.

3. Appointments; convening of task force. All appointments must be made no later than 30 days following the adjournment date of the 2nd Regular Session of the 120th Legislature. The appointing authorities shall notify the Commissioner of Education once all appointments have been completed. Within 15 days after appointment of all members, the Commissioner of Education or the commissioner's designee shall call and convene the first meeting of the task force.

4. Duties. The task force shall:

A. Conduct a full and complete assessment of the implementation of the system of learning results in each school administrative unit in the State;

B. Examine what actions are needed to adhere to the time lines for implementation of the system of learning results as required by current statute and rules; and

C. Consider the requirements of the federal Elementary and Secondary Education Act of 1965, ESEA, 20 United States Code, chapter 1301, et seq., as amended by Public Law 107-110, and, to the extent that the ESEA requirements affect the implementation of the system of learning results, the task force shall include in its report specific recommendations concerning the implementation of such requirements.

5. Staffing assistance; technical assistance. The Department of Education shall provide necessary staffing services to the task force. In conjunction with the State Board of Education and the Department of Education, the Education Research Institute shall provide technical assistance to the task force as specified in this subsection.

A. On behalf of the task force, the Chair of the State Board of Education shall enter into a project agreement with the Steering Committee of the Education Research Institute to provide technical assistance to the task force, which must include, but may not be limited to, designing an appropriate methodology and assessment instrument for the collection, analysis and reporting of data necessary to accomplish the duties established for this implementation analysis.

B. The Education Research Institute may receive input from the task force regarding the appropriate methodology necessary prior to the collection of data. The Chair of the State Board of Education shall request that the Steering Committee of the Education Research Institute approve the addition of a targeted research project to the fiscal year 2002-03 work plan to permit Education Research Institute researchers to provide such technical assistance as may be required by the task force and as may be in accordance with the project agreement.

C. On behalf of the task force, the Department of Education or any contracted service provider that the department may designate shall implement the data collection as agreed upon by the task force and the Education Research Institute and shall further provide that the data collected

from the assessment instrument is forwarded to the Education Research Institute for compilation.

D. Following its compilation of the assessment data, the Education Research Institute shall provide the data collected from the assessment instrument to the task force. The task force shall conduct its own implementation analysis on the assessment data collected and shall use these data in the development of its report and recommendations.

E. On behalf of the task force, the Department of Education shall provide advance notice of the agenda, the time and the location established for each meeting of the task force, including the minutes or meeting summary of the preceding task force meeting, to the members of the Joint Standing Committee on Education and Cultural Affairs.

6. **Report.** The task force shall submit its report to the joint standing committee of the Legislature having jurisdiction over education and cultural affairs during the First Regular Session of the 121st Legislature no later than January 15, 2003. The task force report must include specific findings regarding the current levels of school administrative unit implementation of the system of learning results, as well as a recommended plan of action to meet any deficiencies identified in this implementation analysis. The task force is not authorized to introduce legislation. Following receipt and review of the report, the joint standing committee of the Legislature having jurisdiction over education and cultural affairs may report out a bill to the First Regular Session of the 121st Legislature.

7. **Budget.** The Department of Education shall provide funding for the task force from federal funds that are allocated to the Department of Education for expenditure in fiscal year 2002-03 to provide school administrative unit accountability for students meeting the state standards. Funds provided by the Department of Education to carry out this implementation analysis may not exceed \$10,000.

See title page for effective date.

CHAPTER 661

H.P. 1685 - L.D. 2184

An Act to Implement the Recommendations of the Returnable Container Handling and Collection Study

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

Sec. 1. 32 MRSA §1861, sub-§2, as amended by PL 1979, c. 731, §19, is further amended to read:

2. **Intent.** It is the intent of the Legislature to create incentives for the manufacturers, distributors, dealers and consumers of beverage containers to reuse or recycle beverage containers thereby removing the blight on the landscape caused by the disposal of these containers on the highways and lands of the State and reducing the increasing costs of litter collection and municipal solid waste disposal.

~~This chapter will be administered by the Department of Agriculture, Food and Rural Resources with the authority to interpret the chapter and to issue the necessary rules and regulations in order to carry it into effect.~~

Sec. 2. 32 MRSA §1862, sub-§§8-A and 8-B are enacted to read:

8-A. Initiator of deposit. "Initiator of deposit" means a manufacturer, distributor or other person who initiates a deposit on a beverage container under section 1863-A.

8-B. Local redemption center. "Local redemption center" means a place of business that deals in acceptance of empty returnable beverage containers from either consumers or from dealers, or both, and that must be licensed under section 1871-A.

Sec. 3. 32 MRSA §1865, sub-§3 is enacted to read:

3. Label registration. An initiator of deposit shall register the container label of any beverage offered for sale in the state on which it initiates a deposit. Registration must be on forms or in an electronic format provided by the department and shall include the universal product code for each combination of beverage and container manufactured. The initiator of deposit shall renew a label registration annually and whenever that label is revised by altering the universal product code or whenever the container on which it appears is changed in size, composition or glass color. The initiator of deposit shall also include as part of the registration the method of collection for that type of container, identification of a collection agent and proof of the collection agreement. The department may charge a fee for registration and registration renewals under this subsection. Rules adopted pursuant to this subsection that establish fees are major substantive rules as defined in Title 5, chapter 375, subchapter II-A and subject to review by the joint standing committee of the Legislature having jurisdiction over business and economic development matters.



120th MAINE LEGISLATURE

SECOND REGULAR SESSION-2002

Legislative Document

No. 2103

H.P. 1602

House of Representatives, February 12, 2002

An Act Regarding Essential Programs and Services.

Reported by Representative RICHARD for the Joint Standing Committee on Education and Cultural Affairs pursuant to Joint Order 2001, H.P. 1579.

Reference to the Joint Standing Committee on Education and Cultural Affairs suggested and printing ordered under Joint Rule 218.

Millicent M. MacFarland

MILLICENT M. MacFARLAND, Clerk

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

2
4
6
8
10
12
14
16
18
20
22
24
26
28
30
32
34
36
38
40
42
44
46
48

Sec. 1. 20-A MRSA c. 606-B is enacted to read:

CHAPTER 606-B

ESSENTIAL PROGRAMS AND SERVICES

§15671. Essential programs and services

Essential programs and services are those educational resources that must be provided for all students to meet the standards in the 8 content standard subject areas of the system of learning results established in chapter 222. In order to achieve this system of learning results, essential programs and services must be available in all schools on an equitable basis. Essential programs and services utilize resources including federal funds that are currently provided or could be adapted to implement a system of learning results, as well as additional resources that are also needed to ensure that these programs and services are available to all students. These essential programs and services must be available in all schools no later than 2007-08. School funding must be adequate to fully provide for all of the staffing and other material resource needs of the essential programs and services identified by the Legislature.

1. State and local partnership. The State and each local school administrative unit are jointly responsible for contributing to the cost of the components of essential programs and services described in this chapter.

2. Per-pupil guarantee amounts. A per-pupil guarantee represents the amount of funds that is to be made available for each subsidizable pupil. Three per-pupil guarantee amounts must be calculated, reflecting grade level cost differences: one for kindergarten to grade 5, one for grades 6 to 8 and one for grades 9 to 12. These per-pupil guarantees must be modified as appropriate for special student populations. The per-pupil guarantee represents the annual cost of staffing and material resources that are appropriately allocated on a per-pupil basis. Categories of staffing and resources are as follows:

A. School personnel, including regular and special subject teachers, educational technicians, guidance, library, health services, school administration, support or clerical staff and substitute teachers;

B. Supplies and equipment;

2 C. Specialized services, including professional
4 development, instructional leadership support, student
assessment, technology and cocurricular and extracurricular
programs; and

6 D. School administrative unit services, including system
8 administration and operation and maintenance of plant.

10 3. Specialized student populations. In recognition that
12 educational needs can be more costly for some student populations
14 than for others, modified per-pupil guarantee amounts or weighted
pupil counts must be calculated for specialized student
populations. The specialized student populations to be addressed
are:

16 A. Special education students;

18 B. Limited English proficiency students;

20 C. Economically disadvantaged students; and

22 D. Students in kindergarten to grade 2.

24 4. Educational cost components outside the per-pupil
26 guarantee. A per-pupil guarantee is not a suitable method for
28 allocation of all educational cost components. These components
may include, but are not limited to, debt service,
30 transportation, bus purchases, vocational education, small school
32 adjustments, teacher educational attainment and longevity of
service and adjustments to general purpose aid. The funding
methodology of these educational cost components must be
established based on available research.

34 5. Local control of expenditures. Except for those
36 components that are targeted funds, funds provided for the
38 essential programs and services described in this section must be
40 distributed as general purpose aid for local schools, and each
school administrative unit shall make its own determination
regarding the configuration of resources best suited for its
pupils and how to allocate available funds for these resources.

42 6. Targeted funds. Funds for technology, assessment and
44 the costs of additional investments in educating children in
46 kindergarten to grade 2 must be provided as targeted grants.
School administrative units shall submit a plan for the use of
these funds and shall receive funding based on approval of the
plan by the commissioner.

48 **Sec. 2. Recommended funding levels for fiscal year 2003-04.** In
50 addition to the fiscal year 2003-04 funding level

2 that is recommended by the Commissioner of Education to the
Governor as prescribed in the Maine Revised Statutes, Title 20-A,
3 section 15605, the Commissioner of Education shall also recommend
4 at the same time an alternative funding level for fiscal year
2003-04 for consideration by the State Board of Education, the
6 Governor and the Legislature.

8 **1. Basis.** The alternative funding level for fiscal year
2003-04 must be based on the essential programs and services
10 funding model, as described in the Maine Revised Statutes, Title
20-A, chapter 606-B, and must contain the elements described in
12 more detail in the report issued by the State Board of Education
to the 119th Legislature pursuant to Public Law 1997, chapter 24,
14 Part X, with any refinements and updates to those elements that
have been endorsed by the State Board of Education prior to the
16 time of the Commissioner of Education's recommendation for fiscal
year 2003-04, provided those refinements and updates are
18 consistent with the report on school funding issued in January
2002 by the Joint Standing Committee on Education and Cultural
20 Affairs.

22 **2. Public input.** Prior to the determination by the State
Board of Education of the elements of essential programs and
24 services to be used in the Commissioner of Education's
recommended alternative funding level for fiscal year 2003-04,
26 the State Board of Education in conjunction with the Commissioner
of Education shall hold such public forums on the proposed
28 elements as are appropriate to inform and solicit input from key
stakeholders and the public.

30 **3. Issues identified by Commissioner of Education.** If the
32 Commissioner of Education, in developing the recommended
alternative funding level for fiscal year 2003-04, identifies
34 issues that have not been sufficiently addressed by the prior
reports and actions of the State Board of Education, then the
36 commissioner may recommend resolutions to these issues in the
presentation of the alternative funding level for fiscal year
38 2003-04.

40 **4. Revisions to school finance laws.** With the recommended
alternative funding level for fiscal year 2003-04, the
42 Commissioner of Education shall present to the State Board of
Education and to the Legislature any proposed statutory language
44 necessary to implement the essential programs and services
funding model, beginning in fiscal year 2003-04. This proposed
46 statutory language must include the consolidation and
simplification of existing laws regarding school finance.

48 **Sec. 3. Phase-in.** The essential programs and services
50 approach to school funding must be phased in over a period of

2 time beginning in fiscal year 2003-04. The essential programs
and services approach must be fully implemented by fiscal year
4 2007-08. The details of this phase-in plan must be presented to
the State Board of Education and the Legislature in conjunction
6 with the Commissioner of Education's recommended alternative
funding level for fiscal year 2003-04. The phase-in plan must
8 address the relation between the essential program and services
funding model and the levels of state funding necessary to reach
10 a state share of funding of at least 50% of eligible general fund
education costs statewide, exclusive of federal funds accounted
for under the model.

12
Sec. 4. Subsidy cushions. During the phase-in period described
14 in this Act, the impact of any reduction in subsidy between
consecutive years for any school administrative unit must be
16 cushioned. Because such cushions are inequitable, the level of
the cushion must decline each year, with cushions related to the
18 phase-in of the essential programs and services approach to
school funding ending no later than fiscal year 2007-08.

20
Sec. 5. Best practices. The State Board of Education shall
22 provide for ongoing research to identify those best practices in
schools that increase student performance or improve efficient
24 operation and use of resources. The State Board of Education, in
its report on essential programs and services to the joint
26 standing committee of the Legislature having jurisdiction over
education and cultural affairs, shall provide information about
28 best methods for promoting the use of these practices in school
administrative units.

30
Sec. 6. Report. By January 15, 2003, the State Board of
32 Education and the Commissioner of Education shall report to the
joint standing committee of the Legislature having jurisdiction
34 over education and cultural affairs with recommendations and
proposed statutory language for full implementation of a system
36 of school funding and accountability for resources based on
essential programs and services, including comprehensive
38 revisions to the current school finance laws. In conjunction
with the State Board of Education, the Education Research
40 Institute shall examine what basis there may be for recognizing
legitimate regional differences. The report and the accompanying
42 proposed statutory language must include, but are not limited to,
recommendations on methods of determining costs for each of the
44 components described in this Act; periodic adjustments to these
component and to the calculated costs; strategies for
46 implementing the findings and recommendations of follow-up
studies on essential programs and services previously directed by
48 the Legislature; findings and recommendations on the feasibility
and appropriateness of a regional cost adjustment for legitimate
50 regional differences in the cost of components; findings and

2 recommendations on the appropriateness and feasibility of
adjustments for educator recruitment and retention through
4 equitable compensation; and a transition plan to full
implementation of this new funding system beginning in fiscal
6 year 2003-04 and completed no later than fiscal year 2007-08.
The State Board of Education and the Commissioner of Education
8 may introduce legislation related to their report to the First
Regular Session of the 121st Legislature at the time of
submission of their report.

10

12

SUMMARY

14

The Joint Standing Committee on Education and Cultural
Affairs is reporting out this bill to the House pursuant to Joint
16 Order H.P. 1579.

18

The committee bill proposes to accomplish the following.

20

1. It establishes a timeline for a transition to a new
school funding approach, based on essential programs and
22 services, in order to provide all children with an equitable
opportunity to access the resources necessary to achieve the high
24 standards of Maine's system of learning results.

26

2. It defines essential programs and services, including
those elements to be funded on a per-pupil basis, addresses
28 resources for specialized student populations, defines major cost
components to be determined on other than a per-pupil basis and
30 provides for targeted grants.

32

3. It provides that funding essential programs and services
is a state-local partnership, and that local school
34 administrative units retain the authority to determine how to
expend funds once they are received from the State, with the
36 exception of the targeted grants.

38

4. It directs the Commissioner of Education and the State
Board of Education to prepare an alternative recommended funding
40 level based on essential programs and services for fiscal year
2003-04, in addition to the recommended funding level for fiscal
42 year 2003-04 as provided under current law.

44

5. It provides for a report from the State Board of
Education and the Commissioner of Education on a comprehensive
46 transition plan, including proposed revisions to the school
finance laws, to be submitted to the joint standing committee of
48 the Legislature having jurisdiction over education and cultural
affairs in January 2003.

DATE: 3-22-02

(Filing No. H-1002)

MAJORITY
EDUCATION AND CULTURAL AFFAIRS

Reproduced and distributed under the direction of the Clerk of the House.

STATE OF MAINE
HOUSE OF REPRESENTATIVES
120TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1602, L.D. 2103, Bill, "An Act Regarding Essential Programs and Services"

Amend the bill in section 1 in that part designated "~~§15671.~~" in the first paragraph in the 2nd line (page 1, line 12 in L.D.) by striking out the following: "must be provided" and inserting in its place the following: 'are identified in this chapter'

Further amend the bill in section 1 in that part designated "~~§15671.~~" in the first paragraph in the 5th line (page 1, line 15 in L.D.) by inserting after the following: "results," the following: 'school funding based on'

Further amend the bill in section 1 in that part designated "~~§15671.~~" in the first paragraph in the 4th line from the end (page 1, line 22 in L.D.) by striking out the following: "be available in all schools" and inserting in its place the following: 'provide the basis for the system of school funding'

Further amend the bill in section 1 in that part designated "~~§15671.~~" in subsection 1 in the last line (page 1, line 30 in L.D.) by inserting after the following: "chapter." the following: 'The state contribution to the cost of the components of essential programs and services, exclusive of federal funds that are provided and accounted for in the cost of the components of essential programs and services, must be made in accordance with this subsection:'

Further amend the bill in section 1 in that part designated "§15671." by inserting after subsection 1 the following:

'A. The level of the state share of funding attributable to the cost of the components of essential programs and services must be at least 50% of eligible state and local General Fund education costs statewide, no later than fiscal year 2007-08; and

B. Beginning in fiscal year 2003-04 and in each fiscal year until fiscal year 2007-08, the level of the state share of funding attributable to the cost of the components of essential programs and services must increase toward the 50% level of eligible state and local General Fund education costs.

Beginning in fiscal year 2003-04 and in each fiscal year thereafter, the commissioner shall use the funding level determined in accordance with this section as the basis for a recommended funding level for the state share of the cost of the components of essential programs and services.'

Further amend the bill in section 2 in subsection 4 in the last line (page 3, line 47 in L.D.) by inserting after the following: "finance." the following: 'The Commissioner of Education may request drafting assistance from the Legislative Council in drafting any proposed statutory language to amend the existing school finance laws. Upon approval of the Legislative Council, the Office of Policy and Legal Analysis shall provide the necessary drafting assistance to the Department of Education. Drafting assistance may only be provided during times when the Legislature is not in session.'

Further amend the bill in section 3 in the 4th line (page 4, line 2 in L.D.) by inserting after the following: "approach" the following: 'to school funding'

Further amend the bill in section 6 by striking out all of the last 2 sentences (page 4, lines 41 to 50 and page 5, lines 1 to 9 in L.D.) and inserting in their place the following: 'The report and the accompanying proposed statutory language must include, but are not limited to, any recommendations as appropriate on the following:

1. **Determination of component costs.** Methods of determining costs for each of the components described in this Act;

2. **Adjustments to component costs.** Periodic adjustments to these components and to the calculated costs;

2 **3. Implementation strategies.** Strategies for implementing
the findings and recommendations of follow-up studies on
essential programs and services previously directed by the
4 Legislature;

6 **4. Regional cost adjustment.** A regional cost adjustment
for legitimate regional differences in the cost of components,
8 including what basis there may be for recognizing legitimate
regional differences in the essential programs and services model;

10 **5. Recruitment and retention adjustment.** Any adjustments
12 for educator recruitment and retention through equitable
compensation;

14 **6. Tax effort.** The impact of essential programs and
16 services on tax effort; and

18 **7. State share.** A transition plan to full implementation
of this new funding system, including the 50% state share of
20 eligible state and local General Fund education costs statewide,
beginning in fiscal year 2003-04 and completed no later than
22 fiscal year 2007-08.

24 The State Board of Education and the Commissioner of
Education may introduce legislation related to their report to
26 the First Regular Session of the 121st Legislature at the time of
submission of their report.'

28 Further amend the bill by inserting after section 6 the
30 following:

32 '**Sec. 7. Waiver.** Notwithstanding any other provision of law,
a school administrative unit or a private school approved for
34 tuition that enrolls at least 60% publicly funded students may
apply for a waiver from compliance with the local assessment
36 system provisions required in the Maine Revised Statutes, Title
20-A, section 6202-A or with the time-line requirements for
38 implementation of the standards in the content areas of career
preparation, foreign languages and visual and performing arts as
40 required in Title 20-A, section 6209, subsection 3.

42 **1. Application.** The application for a waiver of these
requirements must contain the following:

44 A. Documentation of actions taken to meet the requirements
46 prior to applying for the waiver;

48 B. A description of the unforeseen circumstances or undue
hardships that led to the application;

50

2 C. A statement of financial hardship, if applicable; and

4 D. The plan that the school administrative unit or the
6 private school will implement to come into compliance with
8 the requirements of the applicable statute.

10 **2. Actions of the Commissioner of Education.** The
12 Commissioner of Education may grant the waiver in the following
14 circumstances:

16 A. Based on the receipt of an application for a waiver that
18 contains the information described in subsection 1,
20 paragraphs A, C and D, the Commissioner of Education shall
22 grant a one year waiver from the requirements of the Maine
24 Revised Statutes, Title 20-A, section 6202-A, subsection 3
26 or 4 so that student achievement of the content standards of
28 the system of learning results in health and physical
education, science and technology and social studies is not
required for high school graduation in the school
administrative unit or the private school until the
2007-2008 school year;

24 B. Upon finding that due to unforeseen circumstances or
26 undue hardships, including financial hardship, the school
28 administrative unit or private school is unable to comply
with the applicable statute and that the compliance plan
that the school administrative unit or private school has
submitted is reasonable; or

30 C. Upon finding that student performance in the school
32 administrative unit or private school exceeds expectations
34 and that there is a personal learning plan aligned with the
system of learning results developed for each student in the
school administrative unit or private school.

36 **Sec. 8. Implementation analysis.** The Task Force to Review the
38 Status of Implementation of the System of Learning Results,
40 referred to in this section as the "task force," is established
to study and assess the status of implementation of the system of
learning results in schools throughout the State.

42 **1. Membership.** The task force consists of the following 13
44 members:

46 A. The Commissioner of Education or the commissioner's
designee;

48 B. The Chair of the State Board of Education or the chair's
50 designee;

COMMITTEE AMENDMENT "A" to H.P. 1602, L.D. 2103

2 C. Two superintendents appointed by the Maine School
Superintendents Association;

4 D. Two school board members appointed by the Maine School
Boards Association;

6 E. Two principals appointed by the Maine Principals'
8 Association;

10 F. Four teachers appointed by the Maine Education
Association; and

12 G. One member of the Maine Coalition for Excellence in
14 Education appointed by the Maine Coalition for Excellence in
Education.

16 2. **Chair.** The task force shall select a chair at the first
18 meeting of the task force.

20 3. **Appointments; convening of task force.** All appointments
must be made no later than 30 days following the adjournment date
22 of the 2nd Regular Session of the 120th Legislature. The
appointing authorities shall notify the Commissioner of Education
24 once all appointments have been completed. Within 15 days after
appointment of all members, the Commissioner of Education or the
26 commissioner's designee shall call and convene the first meeting
of the task force.

28 4. **Duties.** The task force shall:

30 A. Conduct a full and complete assessment of the
32 implementation of the system of learning results in each
school administrative unit in the State;

34 B. Examine what actions are needed to adhere to the time
36 lines for implementation of the system of learning results
as required by current statute and rules; and

38 C. Consider the requirements of the federal Elementary and
40 Secondary Education Act of 1965, ESEA, 20 United States
Code, chapter 1301, et seq., as amended by Public Law
42 107-110, and, to the extent that the ESEA requirements
affect the implementation of the system of learning results,
44 the task force shall include in its report specific
recommendations concerning the implementation of such
46 requirements.

48 5. **Staffing assistance; technical assistance.** The
Department of Education shall provide necessary staffing services
50 to the task force. In conjunction with the State Board of

2 Education and the Department of Education, the Education Research
3 Institute shall provide technical assistance to the task force as
4 specified in this subsection.

6 A. On behalf of the task force, the Chair of the State
7 Board of Education shall enter into a project agreement with
8 the Steering Committee of the Education Research Institute
9 to provide technical assistance to the task force, which
10 must include, but may not be limited to, designing an
11 appropriate methodology and assessment instrument for the
12 collection, analysis and reporting of data necessary to
13 accomplish the duties established for this implementation
14 analysis.

16 B. The Education Research Institute may receive input from
17 the task force regarding the appropriate methodology
18 necessary prior to the collection of data. The Chair of the
19 State Board of Education shall request that the Steering
20 Committee of the Education Research Institute approve the
21 addition of a targeted research project to the fiscal year
22 2002-03 work plan to permit Education Research Institute
23 researchers to provide such technical assistance as may be
24 required by the task force and as may be in accordance with
25 the project agreement.

26 C. On behalf of the task force, the Department of Education
27 or any contracted service provider that the department may
28 designate shall implement the data collection as agreed upon
29 by the task force and the Education Research Institute and
30 shall further provide that the data collected from the
31 assessment instrument is forwarded to the Education Research
32 Institute for compilation.

34 D. Following its compilation of the assessment data, the
35 Education Research Institute shall provide the data
36 collected from the assessment instrument to the task force.
37 The task force shall conduct its own implementation analysis
38 on the assessment data collected and shall use these data in
39 the development of its report and recommendations.

40 E. On behalf of the task force, the Department of Education
41 shall provide advance notice of the agenda, the time and the
42 location established for each meeting of the task force,
43 including the minutes or meeting summary of the preceding
44 task force meeting, to the members of the Joint Standing
45 Committee on Education and Cultural Affairs.

48 6. Report. The task force shall submit its report to the
49 joint standing committee of the Legislature having jurisdiction
50 over education and cultural affairs during the First Regular

2 Session of the 121st Legislature no later than January 15, 2003.
3 The task force report must include specific findings regarding
4 the current levels of school administrative unit implementation
5 of the system of learning results, as well as a recommended plan
6 of action to meet any deficiencies identified in this
7 implementation analysis. The task force is not authorized to
8 introduce legislation. Following receipt and review of the
9 report, the joint standing committee of the Legislature having
10 jurisdiction over education and cultural affairs may report out a
11 bill to the First Regular Session of the 121st Legislature.

12 **7. Budget.** The Department of Education shall provide
13 funding for the task force from federal funds that are allocated
14 to the Department of Education for expenditure in fiscal year
15 2002-03 to provide school administrative unit accountability for
16 students meeting the state standards. Funds provided by the
17 Department of Education to carry out this implementation analysis
18 may not exceed \$10,000.'

20 Further amend the bill by inserting at the end before the
21 summary the following:

22 **FISCAL NOTE**

24 This bill defines essential programs and services and
25 establishes a time line for a transition to a new school funding
26 approach based on essential programs and services. It requires
27 the level of the State's share of funding attributable to the
28 cost of the components of essential programs and services to be
29 at least 50% of eligible state and local General Fund education
30 costs statewide by no later than fiscal year 2007-08, and that
31 the State must begin to increase toward the 50% level starting in
32 fiscal year 2003-04. Although there is no effect in fiscal year
33 2002-03, the future impact on General Purpose Aid to Local
34 Schools and to local school units can not be determined at this
35 time.

38 This bill also establishes the Task Force to Review the
39 Status of Implementation of the system of learning results to
40 study and assess the status of implementation of the system of
41 learning results in schools throughout the State. The Department
42 of Education and the State Board of Education will incur some
43 minor additional costs to serve on the task force, provide
44 staffing and technical assistance and prepare the required
45 report. This bill authorizes the Department of Education to
46 provide up to \$10,000 in funding for the task force from federal
47 funds that are allocated to the department for 2002-03 to provide
48 school administrative unit accountability for students meeting
the standard. Any additional costs to the department and the

2 board associated with the requirements of the task force can be
absorbed utilizing existing budgeted resources.

4 The Department of Education and the State Board of Education
will incur some minor additional costs to develop a phase-in plan
6 for the essential programs and services approach to school
funding, to submit the required report and to review waiver
8 applications. These costs can be absorbed by the department and
the board utilizing existing budgeted resources.

10 Because the bill limits drafting assistance provided by the
12 Office of Policy and Legal Analysis to the interim between
legislative sessions, the additional costs associated with
14 providing drafting assistance to the Department of Education can
be absorbed by the Legislature utilizing existing budgeted
16 resources.'

18
SUMMARY

20 This amendment is the majority report of the Joint Standing
22 Committee on Education and Cultural Affairs. The committee
amendment proposes to change the following provisions of the bill.

24 1. It clarifies that "essential programs and services" are
26 those educational resources that are identified for all students
to meet the standards in the 8 content standard subject areas of
28 the system of learning results and further clarifies that the
essential programs and services must provide the basis for the
30 system of school funding no later than 2007-08 in order to
achieve the system of learning results.

32 2. It provides that the level of the state share of funding
34 attributable to the cost of the components of essential programs
and services, exclusive of federal funds, must be at least 50% of
36 eligible state and local General Fund education costs statewide,
no later than fiscal year 2007-08. It also provides that
38 beginning in fiscal year 2003-04 and in each fiscal year until
fiscal year 2007-08, the level of the state share of funding
40 attributable to the cost of the components of essential programs
and services, exclusive of federal funds, must increase toward
42 the 50% level of eligible state and local General Fund education
costs statewide for the components of essential programs and
44 services.

46 3. It clarifies the issues to be studied further by the
State Board of Education, the Department of Education and the
48 Education Research Institute related to implementing the
essential programs and services model; it requires that this
50 study also consider findings and recommendations related to the

2 impact of the essential programs and services on tax effort; and
it permits the Commissioner of Education to request drafting
4 assistance from the Legislative Council in drafting any proposed
statutory language to amend the existing school finance laws.

6 4. It provides for a waiver of certain statutory provisions
related to the timeline established for the implementation of the
8 system of learning results so that these required implementation
dates will align with the time line established for full
10 implementation of a new school funding approach based on
essential programs and services, which must be fully implemented
12 no later than fiscal year 2007-08. A waiver from compliance may
be provided for the requirements related to the implementation of
14 local assessment systems and awarding a high school diploma and
for the requirements for implementation of the standards in the
16 content areas of career preparation, foreign languages and visual
and performing arts.

18 5. It provides for the establishment of the Task Force to
20 Review the Status of Implementation of the System of Learning
Results to study and assess the status of implementation of the
22 system of learning results in schools throughout the State.

24 The amendment also adds a fiscal note to the bill.

DATE: *April 2, 2002*

(Filing No. S-*540*)

Reproduced and distributed under the direction of the Secretary of the Senate.

STATE OF MAINE
SENATE
120TH LEGISLATURE
SECOND REGULAR SESSION

SENATE AMENDMENT "*A*" to COMMITTEE AMENDMENT "A" to H.P. 1602, L.D. 2103, Bill, "An Act Regarding Essential Programs and Services"

Amend the amendment on page 2 by striking out all of the 2nd indented paragraph (page 2, lines 23 to 32 in amendment) and inserting in its place the following:

'Further amend the bill in section 2 in subsection 4 in the last line (page 3, line 47 in L.D.) by inserting after the following: "finance." the following: 'The Commissioner of Education may request drafting assistance to be performed prior to the convening of the 121st Legislature from the Legislative Council in drafting any proposed statutory language to amend the existing school finance laws. Upon approval of the Legislative Council, the Office of Policy and Legal Analysis shall provide the necessary drafting assistance.'

SUMMARY

This amendment has been prepared pursuant to action taken by the Legislative Council on March 26, 2002.

The amendment clarifies the legislative drafting responsibilities of the Office of Policy and Legal Analysis under the bill, as amended by Committee Amendment "A".

SPONSORED BY:

[Signature]
(Senator GOLDTHWAIT)

COUNTY: Hancock

OFFICE OF POLICY AND LEGAL ANALYSIS

February 27, 2002

To: Members, Joint Standing Committee on Education & Cultural Affairs

From: Phillip D. McCarthy, Legislative Analyst 

Subj: **LD 2103, An Act Regarding Essential Programs and Services**
(Rep. Richard for EDU Cmte.)

SUMMARY

The Joint Standing Committee on Education and Cultural Affairs reported this bill to the House pursuant to Joint Order. The committee bill proposes to accomplish the following.

1. It establishes a timeline for a transition to a new school funding approach, based on essential programs and services, in order to provide all children with an equitable opportunity to access the resources necessary to achieve the high standards of Maine's system of learning results.
2. It defines essential programs and services, including those elements to be funded on a per-pupil basis, addresses resources for specialized student populations, defines major cost components to be determined on other than a per-pupil basis and provides for targeted grants.
3. It provides that funding essential programs and services is a state-local partnership, and that local school administrative units retain the authority to determine how to expend funds once they are received from the State, with the exception of the targeted grants.
4. It directs the Commissioner of Education to prepare an alternative recommended funding level based on essential programs and services for fiscal year 2003-04, in addition to the recommended funding level for fiscal year 2003-04 as provided under current law.
5. It provides for a report from the State Board of Education and the Commissioner of Education on a comprehensive transition plan, including proposed revisions to the school finance laws, to be submitted to the Education Committee in January 2003.

TESTIMONY

Proponents

- ❖ Bill provides "green light" to implement EP&S as basis for school funding formula and to maintain the momentum of years of effort to create "state of the art" public policy to
- ❖ EPS implementation can be a catalyst to reform tax policy

Opponents

- ❖ Despite support for EPS approach, MEA opposes bill unless it is amended to:
 - (1) Move 50% state funding provision from unallocated section to statutes;
 - (2) Align implementation timelines for EPS funding and Learning Results to relieve pressure on certain communities;
 - (3) Consider implications of revisions to Elementary & Secondary Ed. Act for

- public education in Maine
- ❖ If FY 2007-08 is full implementation, then this will be more than one year after graduation requirements are in place and more than 4 years after assessment is in place

POTENTIAL ISSUES OR TECHNICAL PROBLEMS:

- ❖ Implications for local implementation of EPS in the event that less than full funding of the 50% state share is appropriated; and, if a “percentage reduction method” was employed, would local school units only be required to provide a proportion of EP&S?
- ❖ Additional school-level data collection and reporting is needed and DOE currently working on a model to facilitate this and attempt to achieve this without requiring additional burdens (i.e., no net increase in data collection or reporting requirements);

FISCAL IMPACT:

Fiscal note has not been completed yet on this bill.

Presumably, the costs of continuing to study the essential programs and services model and developing an alternative recommended funding level based on this model can be absorbed by the Department of Education.

While the fiscal impact of this bill beyond the current biennium can not be determined at this time, there likely will be additional costs to implement the essential programs and services model in future biennia.

State of Maine
DEPARTMENT OF EDUCATION

Testimony of J. Duke Albanese, Commissioner

Supporting L.D. 2103

An Act Regarding Essential Programs and Services

Before the Committee on Education and Cultural Affairs

Reported by: Representative Richard

Date: February 21, 2002

Senator Mitchell, Representative Richard, and Members of the Joint Standing Committee on Education and Cultural Affairs:

My name is Duke Albanese, Commissioner of Education, and I am here today to speak in strong support of L.D. 2103.

Maine has adopted the *Learning Results*, a far-reaching set of expectations that describe what every Maine student should know and be able to do. We have crafted a vision that characterizes what education in Maine would look like, after these *Learning Results* are fully attained. Our vision is as follows: *Maine people will be among the best educated in the world.* This vision involves three expectations. *First*, every child starts school “ready to learn”. *Second*, every public school student achieves at the highest level possible and leaves school prepared for post-secondary study. *Finally*, following graduation, Maine people are well educated for life and work in the 21st century.

This is clearly a challenging vision, and every local school unit must be a full partner in working to achieve this vision. This partnership requires that each local school unit have sufficient resources to assure that its students have the opportunity to reach these *Learning Results* standards. In order to translate equally high expectations into strong outcomes for all students, every student and school in Maine must have access to equitable and adequate resources. These resources are referred to as *Essential Programs and Services*.

The *Essential Programs and Services* approach to school funding represents a new concept in funding, and Maine would become the first state in America to adopt this approach. In the past, we have had school funding that was “expenditure-driven”, where the State has attempted to keep up with an arbitrary percentage of whatever happened to be spent by school units. We have had “revenue-driven” funding, based on whatever the State could afford to appropriate. The *Essential Programs and Services* funding model is cost-driven and is based on adequacy: how much does it cost to get the job done – the job being helping students achieve Maine’s *Learning Results*. Thus, for the first time funding will be based on an adequate amount of resources for every student, rather than simply trying to equalize around an arbitrary average or to spend just a little more than the year before.

The proposed bill describes, in broad outline, the key features of the *Essential Programs and Services* funding model. These components were defined by the task force, formed by the State Board of Education at your direction, which reported back in January 1999. By enacting this statute, the Legislature will be providing feedback and guidance that will be vital for the completion of the continuing

work to plan and prepare for actual implementation of this model. This final work will serve to inform members of the 121st Legislature as they consider the *Essential Programs and Services* funding model and make decisions regarding its implementation.

The remaining work includes several tasks. *First*, the proposed methods of calculating and funding for key parts of Maine's school funding formula must be finalized. These include the per-pupil guarantee, other areas that are not adaptable to the per-pupil guarantee approach, targeted grants for technology, assessment, and early childhood (K-2) education, and the possibility of a regional cost adjustment. *Second*, a proposed transition plan must be developed, to phase into funding of the *Essential Programs and Services*, to begin in FY 2003-04 and to be completed no later than FY 2007-08. *Third*, continuing studies to identify best practices that increase student performance or improve efficiencies must be completed. *Finally*, a proposed approach to the use of cushions, to be used only during the period of transitioning to *Essential Programs & Services* funding model, must be developed.

L.D. 2103 would also direct the Department of Education and the State Board of Education to report to the Joint Standing Committee on Education and Cultural Affairs, by January 15, 2003, with their recommendations and proposed statutory language for full implementation of a system of school funding and accountability for resources based on the *Essential Programs and Services* funding model. Complementing this report will be *an alternative funding level* for FY 2003-04, prepared by the Department and presented by the Commissioner for consideration by the Legislature. The traditional *recommended funding level* provides information regarding the amount of funds and their distribution, according to current statute. Similarly, the *alternative recommended funding level* would provide information regarding the amount of funds and their distribution, according to the proposed statute for the *Essential Programs & Services* funding model, if that proposed statute were to be enacted into law. Upon receipt of this report and the alternative FY 2003-04 funding level, as directed by L.D. 2103, the Joint Standing Committee for Education and Cultural Services, and the full Legislature, will have a full and final set of recommendations to inform its discussions and decisions regarding the implementation of the *Essential Programs and Services* funding model.

The completion of the studies described above, and the revisions to the state's school funding laws, will require extensive staff and volunteer time, and the use of a research budget for the State Board of Education and the Education Research Institute. Prior to continuing with this work, it is critical for the State Board, the Department, and our collaborators to have the benefit of substantial feedback from the Legislature about the intended components of the model. The discussion, and recommendations or refinements by the Legislature of the elements proposed in L.D. 2103, should give us the needed feedback to continue.

An important element of support for the attainment of Maine's *Learning Results*, across all eight content areas, is funding education according to the *Essential Programs and Services* model. The Legislature has already made full implementation of three *Learning Results* content areas conditional upon achievement of the *Essential Programs and Services* funding model. Enactment of L.D. 2103 would represent a key step in accomplishing this, as well as improving equity for school funding. Accordingly, I strongly encourage the Joint Standing Committee for Education and Cultural Affairs to endorse this bill and to recommend its enactment by the full Legislature.

I will be pleased to answer any questions that the Committee may have regarding this bill.

ESSENTIAL PROGRAMS AND SERVICES

*Maine's Learning Results: High Achievement and High Aspirations for All Students.
Essential Programs & Services: Providing the Resources Needed to Get the Job Done!*

Vision: *Maine people will be among the best educated in the world.*

ESSENTIAL PROGRAMS & SERVICES IS A NEW APPROACH TO SCHOOL FUNDING THAT IS BUILT BY DEFINING THE RESOURCES NECESSARY FOR ALL STUDENTS TO ACHIEVE THE STANDARDS OF MAINE'S *LEARNING RESULTS*.

MAINE STUDENTS ALREADY PERFORM AT THE TOP OF THE NATION AND THE WORLD – MAINE'S *LEARNING RESULTS* MOVE BEYOND STRONG RELATIVE PERFORMANCE TO THE EXPECTATION THAT HIGH STANDARDS ARE FOR ALL CHILDREN TO SUCCEED.

- Recent results show Maine students at the top of the nation in Mathematics and Science on national tests, and that Maine has the country's best high school completion rate at 94.5%.
- In 1999, Maine was recognized as the best place in America to raise a child, and ranked by the National Education Goals Panel as the top-performing K-12 school system in America across dozens of performance indicators.

THE CHALLENGING WORK OF MAINE'S *LEARNING RESULTS* REQUIRES ADDITIONAL RESOURCES, AND THE EFFICIENT USE OF THE RESOURCES WE ALREADY HAVE IN OUR SCHOOLS.

- The Essential Programs & Services model suggests that total school funding – State and local – should grow by about 10% in real dollars over time.

ESSENTIAL PROGRAMS & SERVICES WOULD BE THE FIRST SCHOOL FUNDING MODEL IN AMERICA DERIVED FROM THE ACADEMIC STANDARDS AND DESIGNED TO PROVIDE THE RESOURCES NEEDED TO GET THE JOB DONE.

ESSENTIAL PROGRAMS AND SERVICES FUNDING:

- Provides true equity, adequate resources, and opportunity to all Maine students and schools;
- Is derived from the best available data nationally and from high-performing schools in Maine;
- Supports meaningful reform and all eight content areas in Maine's Learning Results;
- Provides what it takes for schools to get the job done for all students.

THE ESSENTIAL PROGRAMS & SERVICES MODEL PROVIDES THE RESOURCES NEEDED TO FULLY IMPLEMENT THE CONTENT AREAS OF CAREER PREPARATION, MODERN AND CLASSICAL LANGUAGES, AND VISUAL AND PERFORMING ARTS.

- Currently, these three content areas may be deferred or waived if resources are lacking.
- The Essential Programs model includes staff and support for all eight content areas, including improved ratios of school counselors.
- L.D. 1760, enacted by the Legislature in 2001, ties full implementation of the three content areas to Essential Programs funding.

ESSENTIAL PROGRAMS & SERVICES RECOGNIZES THAT DIFFERENT STUDENTS HAVE DIFFERENT RESOURCE NEEDS IN ORDER TO ACHIEVE.

- True equity is not equal dollars for each child; it is equal educational opportunity for each child to achieve to high standards.
- The model builds in higher funding ratios for students with special needs, limited English proficiency, and receiving free or reduced-price meals.

ESSENTIAL PROGRAMS AND SERVICES

ESSENTIAL PROGRAMS & SERVICES ACCOUNTS FOR REAL DIFFERENCES IN SPENDING THAT ALREADY EXIST FOR SCHOOLS – BUT ARE NOT ADDRESSED ANYWHERE IN THE CURRENT SCHOOL FUNDING FORMULA.

- The model will recognize and reward such real cost variables as educational attainment of staff and longevity of staff.
- Current school funding ignores real differences by applying the same funding assumptions to all districts regardless of demographic variables that may drive costs.
- The Essential Programs model will provide an incentive to recruit, develop, and retain experienced teachers with advanced degrees.

ESSENTIAL PROGRAMS & SERVICES RECOGNIZES – AND IN SOME CASES, TARGETS RESOURCES FOR – CRUCIAL AREAS THAT SUPPORT REFORM, SUCH AS INSTRUCTIONAL LEADERSHIP, PROFESSIONAL DEVELOPMENT, STUDENT ASSESSMENT, AND TECHNOLOGY.

ESSENTIAL PROGRAMS & SERVICES PRESERVES LOCAL CONTROL OVER SPENDING DECISIONS WHILE PROVIDING A RATIONAL BASIS FOR THE LEVEL OF FUNDING THAT SHOULD QUALIFY FOR STATE AID.

- The model builds a total allocation for each district and for the state as a whole by using detailed data about each category of expenditures derived from prototypical Maine schools.
- Local school districts will still receive most state aid as an unrestricted bloc grant with local control and judgment in determining the best use of resources within the schools.
- The model will include several targeted areas of subsidy for restricted use on *early childhood programming, technology, student assessments, and teacher recruitment and retention incentives* within the salary component.

ESSENTIAL PROGRAMS & SERVICES WILL FOR THE FIRST TIME PROVIDE BOTH A *JUSTIFICATION* AND *ACCOUNTABILITY* FOR HOW MUCH IS SPENT AND ON WHAT.

- Funding requests at the state level can be based on adequate resources to get the job done – where the job has been defined by *Learning Results* standards passed by the Legislature.
- The Essential Programs model builds on best practices and efficiencies from high performing school districts so there is a built-in benchmark for effective resource use.
- District Assistance teams can use the model to assess patterns of resource use in low-performing districts.
- Policymakers will be able to connect cost components, spending, and outcomes.

THE FUNDING NEEDS DEFINED BY ESSENTIAL PROGRAMS & SERVICES ARE REALISTIC AND ATTAINABLE FOR STATE AND LOCAL GOVERNMENT TO ACHIEVE OVER A REASONABLE TIMEFRAME.

- A careful transition is crucial to avoid adverse impacts to individual school districts and to make the increases achievable.
- Projections indicate that Essential Programs funding levels could be reached -- with a majority share funded by the State – over a 4-5 year period with annual increases in state subsidy (General Purpose Aid) of approximately 6% per annum. This is roughly the same rate of growth witnessed from 1998-99 to 2001-02.
- With current economic constraints, policymakers can adjust the timeframe, the appropriate cushions for adverse impacts on school districts, and other variables to keep the transition to the model realistic.

Maine Coalition for Excellence
in Education

To: Senator Betty Lou Mitchell, Senate Chair
Representative Shirley Richard, House Chair
Members of the Education and Cultural Affairs Committee

From: David Ott, MCEE Chair

Date: February 21, 2002

Re: **Testimony to Joint Committee on Education and Cultural Affairs
LD 2103 – An Act Regarding Essential Programs and Services**

I am writing on behalf of the Maine Coalition for Excellence in Education in support of LD 2103, Essential Programs and Services.

Essential Programs and Services is an important initiative for education funding fairness. The legislation provides an approach to base education funding on the minimum required to support Maine's Learning Results. Our Coalition's principal objective and passion is to support the implementation of Learning Results. We believe LD 2103 represents a key part of this implementation.

We are assured that the funding requirements of Essential Programs and Services can be phased-in over time in the future. However, it is important to get this framework represented by this legislation in place today.

Please approve the passage of LD 2103.

Respectfully submitted,
David Ott

DRAFT

D. **Preliminary Statewide Cost Estimates to Implement the EP&S Model**

As part of the State Board review of the transition to a school funding formula based on an EPS model, the DOE and MEPRI staff have developed preliminary statewide cost estimates of implementing the current version of the EPS model as requested by the Education Committee as part of its Special Committee review. Two sets of preliminary cost estimates were developed:

1. The first estimate was based on fiscal year 1999-2001 educational expenditures; and
2. The second set of estimates were based on a hypothetical scenario which includes the assumption that 6% annual increases in GPA appropriations would be made for each year of the fiscal year 2003-04 through fiscal year 2006-07 period.

Copies of the preliminary statewide cost estimates of implementing the current version of the EPS model are included in **Appendix F**. For the purposes of this part of the Special Committee report, the following information represents a small sample of the findings from the preliminary statewide cost estimates:

- ❖ Compared to the actual combined state and local expenditures of \$1,414,748,147 in fiscal year 1999-2000 for K-12 education, the estimated combined state and local expenditures to implement the EPS model in fiscal year 1999-2000 for K-12 education would have been \$1,575,351,592 and would have required an additional \$160,603,445 in combined state and local revenues or a 11.35% increase over actual expenditures;
- ❖ Based on the hypothetical scenario where GPA appropriations increased 6% for fiscal years 2003-04 to 2006-07, the following preliminary statewide estimates consider the projected full costs of the EPS model and levels of the GPA subsidy and total local property tax revenue increases required to achieve full funding to implement the EPS model by fiscal year 2006-07:

<u>Fiscal Year</u>	<u>EPS Costs</u>	<u>GPA Approps. (state subsidy)</u>	<u>Local Spending (property taxes)</u>	<u>GPA+Local as % of EPS</u>
(1)	(2)	(3)	(4)	(5)
1999-00	\$1,575,351,592	\$625,785,284	\$788,962,863	90%
2000-01	\$1,605,968,780	\$664,161,849	\$840,951,568	94%
2001-02	\$1,643,186,809	\$701,888,438	\$849,350,896	94%
2002-03	\$1,679,619,993	\$744,001,744	\$857,750,224	95%
2003-04	\$1,711,599,168	\$788,641,849	\$866,149,551	97%
2004-05	\$1,749,572,132	\$835,960,360	\$874,548,879	98%
2005-06	\$1,789,185,707	\$886,117,981	\$882,948,207	99%
2006-07	\$1,830,632,595	\$939,285,060	\$891,347,535	100%

For further details on assumptions and projections, please see **Appendix F**. The legislative history and summary of policy alternatives that follow reflect the relevant policy issues that state policymakers must resolve during the 2nd Session of the 120th Legislature.

Second

Morrill, Pamela

From: Debkeen2@cs.com

Sent: Thursday, February 21, 2002 10:28 AM

To: Pamela.Morrill@state.me.us

Subject: Please copy and submit to Committee members for today's

Dear Legislators,

Today you will be looking at Essential program and Services. This bill will become the corner stone for another bill which I believe has tremendous potential for the state to make a real commitment to funding education and to lighten the burden of the costs of education on the property tax thru out our state. The other bill is LD 2088, which caps the costs of education to a \$6 per mill property tax., with the state paying the remainder based upon an Essential Programs and Services Model.

I am an educator . it is my understanding the EPS is tied to learning results, which all schools are working hard to implement. Learning Results is comprehensive and if EPS is based upon Learning Results then I have no doubt, the state commitment to education. However, politics being what it is, there will be great temptation and pressure to tinker with the plan. Both the community where I live and the community where I work are facing a very difficult year for education funding. Both are anticipating significant layoffs. Schools are staff. WE need to move away from dependence upon the property tax to fund education.

I have read the EPS bill and my concern is the lack of details. I have been watching shows on funding for education and talking to the leaders in both the municipality where I work and the community in which I live. Both doubt that state's real commitment to fund education at the state level and reduce the burden on the property tax.. It comes down to trust.

I was talking to another legislator Barney McGowan about the other bill Recommendation of the Education Funding Committee, that bill came before the taxation Committee this week. I think the new plan to fund education has great hope but it depends upon your work and how all encompassing Essential Services really is. While talking to Barney he had an erroneous assumption that higher per pupil cost translated into frills. In my City's case higher per pupil cost translated into a high needs school population. High poverty rate. One of our school's has 98% of it's pupils eligible for free lunch, another(my neighborhood school) has for example as many as 6 translators in one second grade classroom for ESL students who don't speak English. And of course high special ed costs all of which would be above and beyond an Essential Programs and Services models. Currently the state is planning to reduce medicaid reimbursement to the school which helps to defray the extra cost of special needs students. The Costs of our schools are over burdening the property taxpayer. The taxes in the City where I live have gone up 9% in the last two years and it is expected they will go up another 12% this year. A total of 21% in three years. As taxpayers start to feel over burdened the first to go the the cutting block are the schools. We need to find a better way to fund our schools. Unfortunately our Cities/Services Center have additional problems. 1/3 of our property tax is tax exempt. WE provide the cost of services provided by all in the surrounding communities that use our services, hospitals, universities, social services etc. Our City is skeptical as to whether Essential Services Programs will make us better or worse off because of our high needs school age population. Because the current funding formula is based upon valuation and pupil enrollment we get a double whammy. Our enrollment is down and growth is up. For every \$100,000 home built we take in \$2400 in property taxes but we lose \$1400 in state reimbursement. Net gain in property tax \$1000. In my community it costs \$6-8000 to educate one school age child. It takes 6-8 NEW \$100,000 homes to educate 1 school age child.! While others look at our growth as an indicator of wealth, we the tax payer see it as one more house to over burden us! The current

2/21/02

funding formula is anti development and anti schools.

It is critical that the Essential Services and Programs model makes fair provisions for our high needs population. Currently we are facing a housing crisis. What that means is we have no place to house our new immigrants. As a result we are actively moving them to other communities. Expanding other communities needs for ESL services and their higher education costs. Thanks for your consideration. Deb Keenan 28 Dorothy Street Portland Maine 04103 (207 7970284)

Maine Coalition for Excellence
in Education

To: Senator Betty Lou Mitchell, Senate Chair
Representative Shirley Richard, House Chair
Members of the Education and Cultural Affairs Committee

From: David Ott, MCEE Chair

Date: February 21, 2002

Re: **Testimony to Joint Committee on Education and Cultural Affairs
LD 2103 – An Act Regarding Essential Programs and Services**

I am writing on behalf of the Maine Coalition for Excellence in Education in support of LD 2103, Essential Programs and Services.

Essential Programs and Services is an important initiative for education funding fairness. The legislation provides an approach to base education funding on the minimum required to support Maine's Learning Results. Our Coalition's principal objective and passion is to support the implementation of Learning Results. We believe LD 2103 represents a key part of this implementation.

We are assured that the funding requirements of Essential Programs and Services can be phased-in over time in the future. However, it is important to get this framework represented by this legislation in place today.

Please approve the passage of LD 2103.

Respectfully submitted,
David Ott

Mark L. Gray, Ext. 303 *Executive Director*

Idella M. Harter, Ext. 320	<i>President</i>
Robert W. Walker	<i>Vice President</i>
Roger M. Young	<i>Treasurer</i>
Terry J. Given	<i>NEA Director</i>
Crystal D. Ward	<i>NEA Director</i>

Senator Mitchell, Representative Richard, Members of the Joint Standing Committee on Education and Cultural Affairs:

My name is Idella Harter. I have been an elementary teacher in Auburn for twenty-three years. I am currently on leave while serving as President of the Maine Education Association. At this time the Maine Education Association opposes LD2103, *An Act Regarding Essential Programs and Services*.

The Maine Education Association is on record as supporting Maine's System of Learning Results and supporting Essential Programs and Services. MEA was the first organization to be in support of the essential programs and services model of describing those educational resources that must be provided for all students to meet the standards of the Learning Results.

However, the Maine Education Association has consistently advocated for: (1) realistic timelines so that school districts can develop local assessment systems that are valid and reliable; (2) time for the Maine Department of Education to analyze the impact of the new Elementary and Secondary Education Act; and (3) time to phase in the essential programs and services approach to funding.

The Maine Education Association believes that the timeline for implementation of the System of Learning Results must be the same as the timeline for phasing in Essential Programs and Services. Currently, statute requires that by the end of the 2003-2004 school year school districts must complete the development of local assessment systems. Superintendents must certify that students graduating in 2006-07 meet the standards of the Learning Results.

Unfortunately, LD 2103 proposes a timeline for full funding of Essential Programs and Services starting in 2003-04 and completion by 2007-08. Full funding is not reached until four years after the local assessment system work must be completed and one year after the first students are due to graduate and meet the standards of the Learning Results.

MEA believes that funding for the implementation of Learning Results must be available as the work is being done. Even the Department of Education has not been able to successfully negotiate a contract with service providers to develop local assessment models that meet guidelines established by rule. For the implementation of the Learning Results to be successful, all of our efforts must be coordinated.

In addition, the language in LD 2103 does not address the State's responsibility for funding the mandate of the Learning Results. The calculation of the extra money needed under Essential Programs and Services model is approximately \$160 million. LD 2103 says the State and local are jointly responsible for contributing to the cost of the components of essential programs and services. MEA believes that local districts have increased their share of school funding during the years that the State has decreased its share. We believe that the State must fund a majority of the cost of school funding and that the extra \$160 million for the Essential Programs and Services funding model is a State responsibility.

The Maine Education Association recommends that LD 2103 stipulate that the State is responsible for majority of the funding for the implementation of Learning Results. We further recommend that the timeline for implementation be delayed until the funding is fully phased in. The Maine Education Association urges the committee members to vote "ought not to pass" on LD 2103, unless the recommended changes are accomplished.



MAINE SCHOOL MANAGEMENT ASSOCIATION

49 Community Drive, Augusta, Maine 04330-9405
Telephone (207) 622-3473 FAX (207) 626-2968

TESTIMONY IN SUPPORT OF L.D. #2103

“AN ACT REGARDING ESSENTIAL PROGRAMS AND SERVICES”

FEBRUARY 21, 2002

SENATOR MITCHELL, REPRESENTATIVE RICHARD, AND MEMBERS OF THE JOINT STANDING COMMITTEE ON EDUCATION AND CULTURAL AFFAIRS, I AM DALE DOUGLASS, EXECUTIVE DIRECTOR OF THE MAINE SCHOOL MANAGEMENT ASSOCIATION, AND APPEAR BEFORE YOU TODAY ON BEHALF OF THE MAINE SCHOOL BOARDS ASSOCIATION AND THE MAINE SCHOOL SUPERINTENDENTS ASSOCIATION. BOTH MSBA AND MSSA SUPPORT L.D. #2103, BUT WANT TO SUGGEST A FEW CHANGES THAT WE BELIEVE THIS COMMITTEE SHOULD CONSIDER.

BOTH ORGANIZATIONS HAVE BEEN LONG-TIME SUPPORTERS OF THE DEVELOPMENT OF THE ESSENTIAL PROGRAMS AND SERVICES MODEL. WE BELIEVE THAT A SCHOOL FINANCE SYSTEM DEDICATED TO SUPPORTING THE SUCCESSFUL IMPLEMENTATION OF MAINE'S SYSTEM OF LEARNING RESULTS IS CRITICAL TO THAT IMPLEMENTATION.

WE ASK THAT THIS COMMITTEE CONSIDER THE FOLLOWING ISSUES/SUGGESTIONS:

- THERE ARE A NUMBER OF OUR MEMBERS WHO FEEL THAT THE TIMELINES FOR IMPLEMENTATION OF MAINE'S LEARNING RESULTS OUGHT TO BE ALIGNED WITH THE TIMEFRAMES FOR IMPLEMENTATION OF THE ESSENTIAL PROGRAMS AND SERVICES MODEL. IF ESSENTIAL PROGRAMS AND SERVICES IS THE FUNDING VEHICLE FOR LEARNING RESULTS, THEN DOESN'T IT MAKE SENSE TO HAVE THE RESOURCES AND THE IMPLEMENTATION SCHEDULE COMPLEMENT EACH OTHER.
- WE STRONGLY URGE THAT THE UNALLOCATED LANGUAGE IN SECTION 3 OF THIS BILL, WHICH SPEAKS TO A STATE SHARE OF FUNDING "OF AT LEAST 50% OF ELIGIBLE GENERAL FUND EDUCATION COSTS STATEWIDE, EXCLUSIVE OF FEDERAL FUNDS ACCOUNTED FOR UNDER THE MODEL," BE MADE PART OF THE LANGUAGE OF TITLE 20-A § 15671(1), STATE AND LOCAL PARTNERSHIP (LINES 27 - 30 ON PAGE 1 OF THE BILL).
- AS PART OF THE REPORT CALLED FOR UNDER SECTION 6 (PAGE 4 OF THE BILL), WE STRONGLY SUGGEST THAT THE DEPARTMENT OF EDUCATION AND THE STATE BOARD OF EDUCATION BE CHARGED WITH THE RESPONSIBILITY TO CONDUCT AN ASSESSMENT OF EACH SCHOOL UNIT RELATIVE TO ITS STATUS IN IMPLEMENTING ALL OF THE REQUIREMENTS CONTAINED WITHIN THE LEARNING RESULTS LEGISLATION AND DEPARTMENT RULES. THIS INFORMATION IS VITAL TO DETERMINE THE LEVEL OF RESOURCES NECESSARY TO BE SUCCESSFUL WITH THE

IMPLEMENTATION OF LEARNING RESULTS AS WELL AS TO IDENTIFY THE
LEVEL OF ASSISTANCE THAT THE DEPARTMENT MAY NEED TO PROVIDE
TO LOCAL SCHOOL UNITS.

OUR ORGANIZATIONS STAND READY TO WORK WITH YOU, THE DEPARTMENT OF
EDUCATION, AND OTHER EDUCATIONAL ORGANIZATIONS TO HELP ENSURE THE
SUCCESS OF THE ESSENTIAL PROGRAMS AND SERVICES MODEL.

Testimony of Weston L. Bonney, Member
State Board of Education

Supporting LD 2103

An Act Regarding Essential Programs and Services

Before the Committee on Education and Cultural Affairs

Date: February 21, 2002

Senator Mitchell, Representative Richard, and Members of the Joint Standing Committee on Education and Cultural Affairs:

My name is Weston L. Bonney, member of the State Board of Education. I am here today to testify in favor of LD 2103, An Act Regarding Essential Programs and Services on behalf of the State Board of Education. The State Board unanimously recommends passage of this bill.

The work on Essential Programs and Services (EP & S) has been going on since 1996 at the request of and with the cooperation of the Joint Committee for Education and Cultural Affairs. The following reasons are why the bill should pass:

1. The implementation of Essential Programs and Services (EP & S) will significantly improve student equity for all K-12 students in Maine by providing an adequate amount of resources for them to meet the Learning Results Standards.
2. The EP & S financial model is an "adequacy model" based on a significant amount of research done by the Maine Educational Policy Research Institute using the latest and most relevant data available covering schools from Maine and other states.
3. Multiple inputs from the research and testimony of experts were used by a number of Maine educators, State Board Members, Legislators and citizens to recommend the best financial components and ratios to use in the model.
4. This bill is substantially similar to LD 1747, considered by the last session of the Legislature and passed by both the Education and Appropriations Committees and both chambers, but which inadvertently died on the appropriations table at adjournment. If EP & S doesn't become law in this session, six years of research and work done by members the State Board, numerous task forces convened by the State Board, members of three Legislatures, and members of the Department of Education may be for naught. Many Legislators, who have become familiar with and have worked diligently in the development of EP & S will be termed out at the end of the current session. The development of an understanding of the complexities of EP & S for newly elected legislators may delay implementation of EP & S beyond acceptable time frames.

5. The bill would provide time for next steps, within a conceptual framework, to be taken in the development of EP & S as follows:
 - a. Additional refinements of key elements of the model can be completed.
 - b. Two alternate school funding recommendations will be developed for the fiscal year ending June 30, 2004. One recommendation will be based on current funding laws and an alternative based on EP&S will be presented to the Legislature in December 2002 for its consideration.
 - c. Necessary statutory requirements for EP&S will be developed and be ready for adoption if the EPS school funding model is adopted by the Legislature.
6. The bill specifically addresses the transition plan for EP&S, and permits the possibility of a five-year rather than a four-year phase in. The transition language also says that the transition must contemplate moving towards EP&S with a target of at least a 50% share of state and local costs be paid by the state, up from the current 45%.
7. The ongoing study and refinement of the EP&S model would include outstanding areas such as special education, legitimate regional cost differences, and the feasibility of incorporating provision for educator recruitment and retention through better compensation incentives.

I cannot over emphasize how strongly the State Board feels that this bill should pass. The lack of equitable, and in some case adequate resources for Maine students, has been an issue for many years and should not be allowed to continue. If the implementation of EP & S is not the way to accomplish better equity for all Maine students, then some other means need to be developed and there seems to be no alternative currently being worked on.

I would also like to point out that there are three fundamental issues surrounding school funding. They are:

1. How much money is needed? (This is the EP&S issue.)
2. How much is the state going to pay and how much are local taxpayers going to pay? (This is the state subsidy distribution formula and is directly influenced by how much each is willing to pay. The bill does require the state to pay at least 50% of the EP&S amount.)
3. What kind of tax policy provides the necessary revenues? (This issue is currently being studied by the Legislature's Education Funding Reform Commission) The Legislature's request of the State Board for EP & S was directed only to the first question: How much money needs to be spent? There is no question but that the other two issues also need to be addressed. The EP & S recommendation considers only how much money needs to be spent and while there is a tangential relationship to the other two issues, EP & S should not be held hostage to the other two. It is too important for our children. The state distribution formula and the tax policy issues will persist no matter what happens to the EP & S bill and need to be addressed in other venues.

There have been concerns expressed as to whether the additional monies that are needed can be practically provided. I want to stress that there are at least two alternatives, other than extending the time period for implementation that should be considered. Neither is being specifically recommended by the State Board, however, rather than lose all the benefits of the EP & S school funding model it would be better to consider one of these alternatives. With these options available, neither postponing passage of nor rejecting the EP & S bill should be considered.

One alternative is to change some of the model components such as the pupil teacher ratios, the poverty-weighting factor or others. For example, increasing the pupil-teacher ratio by two pupils just in secondary schools would reduce costs by an estimated \$23.8 million. Using the disadvantaged pupil weighting adjustment of 1.05, as recommended by the State Board rather than the 1.15, factor currently supported by the Joint Committee for Education would reduce the costs by about \$36 million. Any shortfall of possible revenues could be covered in this manner. The resultant funding system would be superior to what is in place currently albeit not as good as the recommended model.

Another alternative would be to use the EP & S model to come up with the total funds needed and then to proportionally reduce the desired total to the amount of funds available. This would be much like the percentage reduction for program costs that has been in place for several years. I would like to reemphasize that these alternatives are not being recommended. They are being suggested only as a means of saving the EP & S funding concept rather than lose it for perceived inability to provide all the money suggested. Either one of these alternatives would be more equitable for kids than the current system.

In summary the Legislature has been far sighted in persisting in the development of this adequacy funding model, based on the latest data and research available, to support the implementation of *Learning Results*. It may not be perfect but it is far superior to any other funding model on the horizon. With the flexibility built into this bill it should pass, the children of Maine would be well served by its passage. Thank you for your support of this bill.

Yes, 72; No, 66; Absent, 13; Excused, 0.

72 having voted in the affirmative and 66 voted in the negative, with 13 being absent, and accordingly the House voted to **RECEDE AND CONCUR**.

Non-Concurrent Matter

Bill "An Act to Authorize a General Fund Bond Issue in the Amount of \$25,400,000 for Economic Development"

(H.P. 1691) (L.D. 2190)

Majority (12) **OUGHT TO PASS** (H.P. 1691) (L.D. 2190) Report of the Committee on **BUSINESS AND ECONOMIC DEVELOPMENT READ and ACCEPTED** and the Bill **PASSED TO BE ENGROSSED** in the House on March 20, 2002.

Came from the Senate with Majority (12) **OUGHT TO PASS** (H.P. 1691) (L.D. 2190) Report of the Committee on **BUSINESS AND ECONOMIC DEVELOPMENT READ and ACCEPTED** and the Bill **PASSED TO BE ENGROSSED AS AMENDED BY SENATE AMENDMENT "A" (S-490) in NON-CONCURRENCE**.

The House voted to **RECEDE AND CONCUR**.

By unanimous consent, all matters having been acted upon were **ORDERED SENT FORTHWITH**.

REPORTS OF COMMITTEE

Divided Report

Majority Report of the Committee on **EDUCATION AND CULTURAL AFFAIRS** reporting **Ought to Pass as Amended by Committee Amendment "A" (H-1002)** on Bill "An Act Regarding Essential Programs and Services"

(H.P. 1602) (L.D. 2103)

Signed:

Senators:

MITCHELL of Penobscot
NUTTING of Androscoggin
ROTUNDO of Androscoggin

Representatives:

RICHARD of Madison
DESMOND of Mapleton
WATSON of Farmingdale
ESTES of Kittery
CUMMINGS of Portland
STEDMAN of Hartland
ANDREWS of York
WESTON of Montville
LEDWIN of Holden

Minority Report of the same Committee reporting **Ought Not to Pass** on same Bill.

Signed:

Representative:

SKOGLUND of St. George

READ.

Representative RICHARD of Madison moved that the House **ACCEPT** the Majority **Ought to Pass as Amended** Report.

Representative SKOGLUND of St. George **REQUESTED** a roll call on the motion to **ACCEPT** the Majority **Ought to Pass as Amended** Report.

More than one-fifth of the members present expressed a desire for a roll call which was ordered.

The **SPEAKER**: The Chair recognizes the Representative from St. George, Representative Skoglund.

Representative **SKOGLUND**: Mr. Speaker, Ladies and Gentlemen of the House. I am not apologizing for standing up at this late hour, because some day you will thank me for this. This is another learning results bill and it is a very important bill. In fact, I would urge you to get out number 2103 to see how much it includes. The other day we had a vote on a learning results bill and I was much encouraged to see that the vote was going my way for a little while and then when it came to a roll call, buttons began to switch. That indicated to me that a great many of you, deep in your hearts, know that there is something wrong with learning results, but you don't know enough about it to explain it to the voters back home or to justify it to your school superintendents whom you presume are in favor of it.

I had another enlightenment on the idea of learning results that helped me understand it. It helped me understand the mentality behind learning results. Someone on television had commented that one of the problems worldwide now was a return of fundamentalism. I had always thought of fundamentalism as being rather positive, someone who had a very firm and unshakable faith. He went on to explain that fundamentalism is not just having a firm and unshakable belief. Today it also includes the willingness to impose it on others, either by law or by force. He mentioned several different types of fundamentalism now ramped in the world, that I don't need to repeat here. The idea of learning results to me is very similar. It is educational fundamentalism. It is the idea that we now have the truth and we can put it into law and force everyone to abide by it. This bill under discussion right now, number 2103, essential programs and services, in the preface to the bill it says, in order to achieve the system of learning results, essential programs and services must be available in all schools on an equitable basis. What this is going to do, we hope, is to equalize school funding so that schools will be equally funded throughout the state. Each child in school will receive the amount of money necessary to carry out what are thought to be essential programs and services, which may be a good idea. I am not saying that we have a perfect idea of school funding now. Because learning results is simply an ideal, it can never be achieved no matter how much money you spend on it. You cannot guarantee that all children are going to be lifelong learners. That is one thing I don't like about this whole idea.

The second thing I don't like about it and I stand corrected if I am wrong, but it was my understanding that this essential programs and services if it went into effect and it is anticipated by the department that we will put it into effect, would cost over \$100 million a year more in education costs. I hope someone will give the accurate figure on that. It was more than \$100 million. I suggested that perhaps we hadn't ought to do anything that would increase educational costs that much, even though it might help education, without first finding a different method of funding education. The answer was, we can do both. We can initiate essential programs and services and go ahead with it and reform our tax system simultaneously. I don't think I trust that we are going to reform our tax system. I don't think we can stand any higher property taxes to go on to fund more essential programs and services.

I hope you will look this over very carefully. I hope you will give it consideration and vote against it. Thank you.

The **SPEAKER**: The Chair recognizes the Representative from Monmouth, Representative Green.

Representative **GREEN**: Mr. Speaker, Ladies and Gentlemen of the House. Representative Skoglund is, in fact, correct. This is an ideal. It is not real. As an educator, I would love to think that all that is in the learning results would happen, but unfortunately I know better. All of those people who have

said we can do it all are not being completely honest. I am not sure, actually, how I am going to vote on this item, but I think before you vote you should know what this is all about. With your indulgence, I am going to read to you from just one section of the learning results. Under social studies, and I will only be reading to you what is necessary to do in the secondary grades. Please know that there are learning results for elementary grades pre-K through 2 and elementary grades 3 and 4 and middle grades 5 through 8. "Secondary grades, civics in government, rights and responsibilities and participation. In the secondary grades all students will develop and defend a position on public policy within our democracy, access the reasons why participation of an attentive, knowledgeable and competent citizenry is important to constitutional democracy using examples from personal or historical experience." That should be interesting. "Describe the circumstances under which civil disobedience might be justified. Demonstrate an understanding of the processes of voter registration and voter participation. Under civics and government, purpose and types of government in the secondary grades. All students will compare and contrast the purpose and the structure of the United States Government with other governments, parliamentary dictatorship, monarchy, with respect to ideology, values and histories. Two, access the different jurisdictions and roles of local, state and federal governments in relation to an important public policy issue. Analyze the major arguments for and against representative government as distinguished from direct democracy, assess the tension between the public's need for government services and the varying availability of revenue through taxes at the local, state and federal levels." That is my personal favorite. "Evaluate the role of the media and public opinion in the United State politics including ways the government and media influence public opinion. Civics in government, fundamental principles of government and constitutions. Explain the historical foundations of constitutional government in the United States, for example, Magna Charta, Roman Republic, Colonial Experience, Declaration of Independence, Articles of Confederation and the Constitution of the United States. Evaluate the federalist and anti-federalist positions on the ratification of the Constitution in light of historical developments. Evaluate the effectiveness of the Constitution as a vehicle for change. Demonstrate an understanding of the meaning and importance of traditional and democratic assumptions, such as individual rights, the common good, self-government, justice equality and patriotism. Demonstrate how the United States Constitution uses checks and balances."

The SPEAKER: Would the Representative please defer? During the course of debate this evening I have allowed several things to go, which I probably should not have allowed. The current practice that the Representative is engaged in is reading a statement into the record, which is against the rules, but may be permitted by the other side. However, it is typically permitted only for the purpose of actual debate. Otherwise it is considered dilatory. The Chair apologizes to the Representative. The Representative may proceed.

Representative GREEN: Mr. Speaker, Ladies and Gentlemen of the House. I will not continue, but I will tell you there are 10 pages chock full of good stuff. That is just for social studies.

My point here is to point to you that in the summary of the Committee Amendment on page 9, number 4, it says that there is a waiver of certain statutory provisions for the implementation of the system of learning results. A waiver from compliance may be provided for the requirements and it goes on. Again, I question how this is going to happen. It is not necessarily a bad thing, but

I think if we believe that all this will happen, all our children will be tremendously well educated, all of these things will happen, it is not true. It is idea and it is a good ideal, but it is not real. That is my point. Thank you very much.

The SPEAKER: The Chair recognizes the Representative from Kittery, Representative Estes.

Representative ESTES: Mr. Speaker, Ladies and Gentlemen of the House. I think we are getting confused between LD 2106, which went by us earlier today. That is the resolve, which implemented the Chapter 127, which is the learning results. What we are looking at here in LD 2106 is actually the essential programs and services bill, which moves us toward a new funding formula. We debated Friday afternoon on education funding and many people got up and railed about the problems of the current funding formula. We are moving towards a new funding formula based on essential programs and services. That is what this bill is about. The references in here to learning results, the good Representative Green made note of the waiver. The waiver is in Chapter 127. What the Education Committee did was we took those rules for the waiver for districts having a difficult time meeting the learning results and put them into statute, into this bill, so that it would be guaranteed that districts who are having problems would be able to slow things down. They would be able to get assistance from the department in order to come into compliance.

The other thing on Page 4 of the amendment is a task force to review the status of implementation of the system of learning results. This is something else that we put into this bill because learning results and essential programs and services are paralleling each other. What we wanted to do was we wanted to find out what were the problems out there and to have the task force come back to the Education Committee and report no later than January 15, 2003 what those problems were. This is essential programs and services where we put in some guarantees that we were going to be able to help districts deal with the implementation through the waivers if they were having problems, but also to have accountability by having this report back of the task force to review the status of the implementation of the system of learning results to the Education Committee in the next regular session. Thank you.

The SPEAKER: The Chair recognizes the Representative from Biddeford, Representative Sullivan.

Representative SULLIVAN: Mr. Speaker, Men and Women of the House. If I had my druthers, I would be talking about the other learning results bill, but I don't. I am going to talk about this one. If you look under the summary of this bill, it says that it provides funding essential programs and services in the state and local partnership. I need to tell you that I don't trust state and local partnerships on funding of schools. I believe we had a debate last Friday on that. The learning results are fine if indeed we really would be willing to put the money there, but I maintain we won't be in the long run. I think up until the beginning of this session when we had a different idea for collecting state taxes this was the only way we had to work with in trying to do something for the communities. We have already had the learning results and we weighed three of those learning results. These were the things that this chamber said that all students need to know. Those three were career preparation technology, visual and performing arts and foreign and classical language. We needed those. We had to have them. We really debated that. Gee, then we waived them because it is not so important now because we have a money problem. I told you last week in the debate that we had an unfunded mandate. I don't see how this is going to provide any equality because if you continue reading the number three under the summary on that state and

local partnership it says that the local school administrative units retain the authority to determine how to expend funds once they are received from the state. They may decide to buy 5 million pencils instead of laptops.

This bill doesn't sound it out. We aren't funding our education correctly now and we are going to jump into another one and see what else we can do. That is not fair to your systems. Go back to your districts and ask what they are doing now for professional development in order to meet part of the requirement that 90 percent of all assessment must be local. Find out what your school systems are spending on professional development that was promised \$4 million when we passed learning results. Unfortunately this is all we have at this present time for learning results. I am not afraid of accountability as a teacher in the classroom and I can read you from 5, 6, 7 or 8 grade level, which I teach. I can do that. I have to answer to three different sections, social studies, language arts, including a reading part of English. I have to have the support of my school system. They have to have the money. This system still sets up a system where there is just so much money to put out. If they don't have enough money, what goes? We need to be sure we have the money before we enact a law. We enacted the learning results before we had the money to do it. You can't do that. Unfortunately this is the up and down vote we need. I ask you to think very carefully about this and be sure that the people come back here in the 121st are willing to give the money and rewrite this language so it won't be determined that some communities can spend it on something different. Read the bill. Look at number three and be able to explain an unfunded mandate as it is right now to your districts because that is what we have. Thank you.

The SPEAKER: The Chair recognizes the Representative from Portland, Representative Cummings.

Representative CUMMINGS: Mr. Speaker, Ladies and Gentlemen of the House. The bill you have in front of you, I want to be very clear, is not a learning results bill, but for those of you who are struggling with learning results, let me also be clear that if you are, as Representative Skoglund has said, confused about how to explain it to your constituents, let me help you. It says what our children will know and be able to do when they leave high school. I believe, the State Chamber of Commerce believes and numerous educational groups believe that is a good thing. If you turn away from this bill today, you will have already said that learning results are a good thing, but you will have under minded the funding and the appropriate methods to make sure that it happens for all children. The essential programs and services bill holds enormous promise for the work that we need to do because it looks at the children in those schools to decide exactly what type of children are in there and what kind of support do they need to make sure that learning results occur.

You have an opportunity today to do something that I think you will like. We have in this bill 50 percent of the costs of K-12 education will over the phase in period of this bill be paid for by the state. For those of you who are struggling with local property tax pressures and I know that in my community we are, this is good news. Over the next six years the implementation of this program is contingent upon that phase in. For those local property taxpayers and for your children, this program begins to make a lot of sense. For those of you concerned about implementation of learning results there is built in a task force for the first time to look at where school districts are. We believe this bill has been well thought out and this 11 to 1 decision took a lot discussion. I think it is time for us to move forward. Thank you.

The SPEAKER: The Chair recognizes the Representative from Scarborough, Representative Clough.

Representative CLOUGH: Mr. Speaker, May I pose a question through the Chair?

The SPEAKER: The Representative may pose his question.

Representative CLOUGH: Mr. Speaker, Ladies and Gentlemen of the House. This amendment ends with the statement that the amendment also adds a fiscal note to the bill. Could anyone tell us what that fiscal note is?

The SPEAKER: The Representative from Scarborough, Representative Clough has posed a question through the Chair to anyone who may care to respond. The Chair recognizes the Representative from Hartland, Representative Stedman.

Representative STEDMAN: Mr. Speaker, Ladies and Gentlemen of the House. The fiscal note is in the amendment. It says that the cost for keeping this program going can be born by the department.

I think one point that the good Representative from Portland, Representative Cummings, stated, but I think needs emphasis and is the main reason why I supported this amendment was the fact that there is going to be a task force created that will look at how the learning results have been implemented to date. I think one of the issues we are concerned about is where various schools are in their learning results implementation process. If we don't find out where that is, we can't go forward with funding or anything until we find out what the need is. By putting out a task force to look at this situation as it now stands in the school systems around the state, we can better understand what real essential programs and services are going to be needed down the road. Thank you.

The SPEAKER: The Chair recognizes the Representative from Kittery, Representative Estes.

Representative ESTES: Mr. Speaker, Ladies and Gentlemen of the House. Also, to add on the question of the fiscal note, for the task force there is a fiscal note of \$10,000, but that is going to be born by the Department of Education out of their budget from federal funds that have been allocated to the department for next year to provide for school administrative unit accountability for students meeting the standard. This is actually fiscal neutral in terms of having any impact on the General Fund.

The other thing I want to say is that people need to be aware that there was an Education Committee study from July until November of this year and the report that came out based on this concept of a formula that would be created based on essential programs and services. The legislation that was originally from this report, LD 2103, has been substantially amended. To reiterate the point that the good Representative from Portland, Representative Cummings, said, this is not a learning results bill. It is putting us in motion for eventually implementing a new funding formula that will be far more fair than the one that we currently have. Thank you.

The SPEAKER: The Chair recognizes the Representative from Woolwich, Representative Peavey.

Representative PEAVEY: Mr. Speaker, May I pose a question through the Chair?

The SPEAKER: The Representative may pose her question.

Representative PEAVEY: Mr. Speaker, Men and Women of the House. To anyone who can answer, in this amendment where it talks about the 50 percent, how does that affect special ed costs?

The SPEAKER: The Representative from Woolwich, Representative Peavey has posed a question through the Chair to anyone who may care to respond. The Chair recognizes the Representative from Hartland, Representative Stedman.

Representative STEDMAN: Mr. Speaker, Men and Women of the House. I couldn't understand the question. Could she repeat the question?

The SPEAKER: The Chair will repeat the question. The question was considering the percentage of 50 percent, how would that impact special education costs? The Representative may proceed.

Representative STEDMAN: Mr. Speaker, I am not sure that is part of the information we are trying to develop here. Special education costs are going to be built in depending on the individual needs of the students. As each student is evaluated to what he or she needs for their education, that will be factored in as to what the schools will receive and then the state will do their share, hopefully 50 percent by the year 2007. It is one of the factors that is going to be built into what is essential for each student to complete their education according to their plan.

The SPEAKER: The Chair recognizes the Representative from South Portland, Representative Glynn.

Representative GLYNN: Mr. Speaker, Ladies and Gentlemen of the House. I agree with several of the speakers in stating that the current school funding formula has significant problems and does need to be totally overhauled. However, I do have some concerns that are raised by the language of the proposal that is in front of us, specifically dealing with the issue of subsidy cushions. It was a promise and it was a commitment of the Legislature as well as the Education Committee that as we phased in the per pupil guarantee that there would be adequate cushions to lessen the blow of communities that would be adversely affected by school funding. Obviously I don't agree that that happened this session, because our community received a 32 percent cut in our school funding in one year.

When looking at the language dealing with subsidy cushions, I see, again, no guarantees to school districts that this new school funding formula is phased in that it will be done in a manner which will allow a community to budget and provide for locally the reductions that will happen as a result of the new school funding formula.

I would like to ask if any member on the committee or a member of this body could speak to the issue of subsidy cushions and the percentage guarantee maximum that communities will be cut as a result of this new funding formula phase in?

The SPEAKER: The Representative from South Portland, Representative Glynn has posed a question through the Chair to anyone who may care to respond. The Chair recognizes the Representative from Montville, Representative Weston.

Representative WESTON: Mr. Speaker, Men and Women of the House. The dialogue about cushions actually tells us that the formula needs help. Essential programs and services is saying that we want to move away from that. We want to find out what does it cost to educate a child, no matter where he lives. We take into consideration a child who has special needs. That child is going to be weighed more. Once you determine the needs of the child, you find out what is that essential program each needs and then you move towards to funding of that essential program for each child. It is a partnership. It is going to take more money only because we are doing differently. It is going in the right direction. It is instead of what we spent last year, it is determining really what are the costs. It is not going to be this district can only spend \$4,000 per student because that is all we have. First we need to know what is it that it really costs. We don't know that yet. This is a timeline to get us there. Thank you.

The SPEAKER: The Chair recognizes the Representative from Madison, Representative Richard.

Representative RICHARD: Mr. Speaker, Men and Women of the House. Most of the things that need to be said have been

said, but in response to a question that was asked a few minutes ago, in the sheet that we have on essential programs and services, one of the statements is with current economic constraints policy makers can adjust the time frame, the appropriate cushions for adverse impacts on school districts and other variables to keep the transition to the model realistic.

The SPEAKER: The Chair recognizes the Representative from Penobscot, Representative Perkins.

Representative PERKINS: Mr. Speaker, May I pose a question through the Chair?

The SPEAKER: The Representative may pose his question.

Representative PERKINS: Mr. Speaker, Men and Women of the House. I am a bit confused. It seemed to me the first speaker on this issue, as I understood it, this is basically the funding mechanism for learning results. That is kind of what I got from it. At least one of the other speakers mentioned that this is the funding mechanism for learning results. Is that true, what this is? If the answer is affirmative, I would like to speak on that idea.

The SPEAKER: The Representative from Penobscot, Perkins Richard has posed a question through the Chair to anyone who may care to respond. The Chair recognizes the Representative from Madison, Representative Richard.

Representative RICHARD: Mr. Speaker, Men and Women of the House. I could not hear his question, could it be repeated?

The SPEAKER: Would the Representative please repeat his question?

Representative PERKINS: Mr. Speaker, Men and Women of the House. The question is, is this issue in front of us basically the funding mechanism for learning results that we passed about six years ago?

The SPEAKER: The Representative from Penobscot, Representative Perkins has posed a question through the Chair to anyone who may care to respond. The Chair recognizes the Representative from Madison, Representative Richard.

Representative RICHARD: Mr. Speaker, Men and Women of the House. On this issue before us, we have gotten off the issue actually. The issue before us is that we have a very learner group who is working to determine what it is that is essential for every student to know and be able to do and then to determine how much it is going to cost to have those students be able to know and do those things. The funding formula will come later. This is a process of determining what it is that our students should know and then determining how much it would cost to have each student educated in that way and then it would be a more equitable funding formula that would come out of this as an end result.

The SPEAKER: The Chair recognizes the Representative from St. George, Representative Skoglund.

Representative SKOGLUND: Mr. Speaker, Ladies and Gentlemen of the House. As usual, I hope anyone will correct me on this, but I remember distinctly asking a member of the Education Department if it was necessary to include the term learning results in this bill. The reply was yes. In order to achieve this system of learning results, essential programs and services must be available in all schools. It does say right in the bill that in order to achieve learning results, essential programs and services must be available in all schools. This is a mechanism for funding learning results. Mr. Speaker, I urge people to answer my question. It seems that in order to implement this it would cost over \$100 million more than what we are spending now. The department is moving ahead on faith that we will find some alternative to the property tax, but I think we are getting in meshed in another tar baby. I think this will go ahead. I think essential programs and services will go ahead, but we will be stuck with the same old funding formula. Thank you.

The SPEAKER: The Chair recognizes the Representative from Hartland, Representative Stedman.

Representative **STEDMAN**: Mr. Speaker, Ladies and Gentlemen of the House. In response to the comments just heard, Representative Skoglund is close to being right. I think the number we heard in committee was \$160 million by the year 2007/2008. That would be needed to meet the demands of the education system.

One of the things concerning learning results I would like to address is regardless of how you feel about learning results, they are the law under which we are running our education system now. They are in the process of being implemented. In order to meet the demands of the law, we must address the costs of implementing learning results. This process, under this bill that we have in front of us is to come up with a fairer way of doing that. Hopefully the essential programs and services idea will be that way. Next year as we go forward the department is charged with the responsibility of coming up with a plan that might be incorporated into essential programs and services funding and also a parallel plan based on the current funding formula. The choice then will be to decide how long along that line to essential programs and services do we want to go or do we stay with the current formula. All of this will only happen if we have this effort made at this point in time to forward this bill through and let them go to work on it. I would urge you to support the bill as it now stands in the amendment. Thank you.

The SPEAKER: The Chair recognizes the Representative from Winslow, Representative Matthews.

Representative **MATTHEWS**: Mr. Speaker, Ladies and Gentlemen of the House. When I talked to my superintendent back in Winslow they were concerned about how they were going to pay for learning results. I would like to ask a question. I have heard it mentioned in this debate that the most learnered of our state will be assembled to look at what our children need to know. I have my Greek resolution in front of me. My question is this, are those learnered people, Socrates, Plato and some of the other folks? Are those the folks we are going to us?

The SPEAKER: The Representative from Winslow, Representative Matthews has posed a question through the Chair to anyone who may care to respond. The Chair recognizes the Representative from Hartland, Representative Stedman.

Representative **STEDMAN**: Mr. Speaker, Men and Women of the House. To answer the question, I think our only chance is to do that today, since it was Greek Day before the House.

The SPEAKER: The Chair recognizes the Representative from Penobscot, Representative Perkins.

Representative **PERKINS**: Mr. Speaker, Colleagues of the House. Please be patient. I may ramble, but it will be very short. I have to say something on this issue. I guess it was six years or so we debated the learning results. I remember precisely standing and we had the booklet in our hands. I had learning results in my hand. I remember saying, here it is. Why don't we send it out to everybody? Why don't we send it out to all the school districts? We kept hearing in the debate that these are guidelines. Send it out to the folks. I never got an answer why we had to put it into statute. Out in the lobby two or three people would come up and say that we have to put it in law because some of the districts won't do it. Some of them won't do it. Most of them would do it. My answer was, aren't they all professionals in all the districts. These are professional people. I never really could figure it out. It took me quite a while to figure out this whole scheme of what a mandate is, unfunded mandates.

I heard someone mention tonight, here is another unfunded mandate. When are we going to send the money? It has finally

come to me that nobody, as far as I can see, invents these so-called unfunded mandates in either of these bodies. After we passed learning results, for example, I got back in my district. I got a call from one of the school people in my district saying, boy, I hope this isn't going to be another one of those unfunded mandates you have passed. I remember seeing that person's name of the list of the committee that kind of brought that forward. I said, wait a minute. You are one of the main proponents of this. It took me quite a while and maybe a lot of you came to that conclusion earlier or maybe it is erroneous or maybe it is not true. These so-called unfunded mandates watch out for them. They are kind of tricky. People like to gripe about them, but eventually my guess is, they figure they are going to get funded. If you follow where the money goes then you will find out probably who is behind these so-called unfunded mandates. It looks to me like it has been couched in language that makes it a little bit complicated. The more we talked about it, apparently it is the funding mechanism for learning results, but it wasn't that clear right on its surface.

Perhaps there is nothing wrong with what we are doing, but I would just like to go on record and maybe my great grandchildren will come in here and see what I wanted to say, but this has been inside me and I wanted to share it. Watch out for those unfunded mandates and where they really come from.

A quick aside, it is related, I kept getting a lot of calls back home a while back about the unfunded mandates for the volunteer firemen. I put in a bill two years ago that would exempt volunteer fire departments from mandates from the state unless we sent the money. Guess who came over and spoke against my bill? It is a very interesting situation. Thank you.

The SPEAKER: The Chair recognizes the Representative from Kossuth Township, Representative Bunker.

Representative **BUNKER**: Mr. Speaker, Men and Women of the House. I, too, was around here when we fought the learning results and those kinds of things. I want you to know that I voted against the learning results because I had some of the concerns of the prior speaker. I have to tell you folks that I have been dead set starting from eight years ago saying that we have to define what essential services are so we can move forward in this state and provide equal education to all levels of this state and not just the more affluent communities against the poorer communities and imbalance of the darn system and everybody can stand here and complain about the formula. I have been complaining for eight years. Ladies and gentlemen, until we allow this bill to go forward and to define what essential services are and to put a price tag to moving forward and defining a level playing field for education, we are going to sit here and have this same argument that we have had for the last eight years. Some people bring up the cushion, some people bring up the formula and all that. That is the problem. We keep messing around here and we haven't defined the end results yet. Let's move forward with this 12 to 1 report. Allow us to define essential services and we can have this debate next year. Thank you.

The SPEAKER: The Chair recognizes the Representative from South Portland, Representative Glynn.

Representative **GLYNN**: Mr. Speaker, Ladies and Gentlemen of the House. My question concerning cushions, I don't believe was answered. I would like to refer to a section of the original bill that says during the phase in period, in Section 4 of the bill under essential programs and services, Section 15671, Section 4. What the section states is regarding subsidy cushions. During the phase in period described in this act the impact of any reduction in subsidy between consecutive years for any school administrative unit must be cushioned. It makes a fairly definitive statement that cushions in fact are necessary when changing

from funding formula to funding formula. However, when I look at the Majority Report, I find no similar language, definitive language, about how, in fact, we are going to transition these. Listening to several of the comments from previous speakers, one of which sits on the Education Committee, stating quite definitively that there would not be cushions. It tells me that there seems to be a misunderstanding or a undefined portion about how we will transition folks in their communities from one funding formula to the second.

One thing that is clear to me is that the current system that we have does not protect local school districts and, in fact, my district was cut 32 percent as a result of Friday's budget vote, which represents \$1.5 million to my local school district. When we look to phasing in new funding formulas, you bet cushions are a big concern and how they are phased in is a very big concern to my school district. That needs to be straightened out for me when we vote on this issue. In fact, how is this phase in period going to happen? What is a maximum loss for one year that a school district is going to sustain? Thirty-two percent was regarded as manageable by this Legislature. What will it be by the next? I need that answer before I vote.

We also have the whole issue about the funding of this new school funding formula. If, in fact, it is going to require it pumped with \$160 million of additional funding looking at the downward times that we have had in this economy and in this state, what happens when we don't meet those funding levels and, again, that phase in is going to be balanced on somebody's school district? What is the guarantee that that school district is going to be left whole? If there is a member of this body that would like to answer these questions, I would like that answer. Thank you.

The SPEAKER: A roll call has been ordered. The pending question before the House is acceptance of the Majority Ought to Pass as Amended Report. All those in favor will vote yes, those opposed will vote no.

ROLL CALL NO. 560

YEA - Andrews, Ash, Belanger, Berry RL, Blanchette, Bouffard, Bowles, Brannigan, Brooks, Bruno, Bryant, Bull, Bumps, Bunker, Canavan, Carr, Chick, Clark, Collins, Colwell, Cote, Cowger, Cummings, Daigle, Davis, Desmond, Dudley, Duncan, Dunlap, Estes, Etnier, Fisher, Fuller, Gerzofsky, Gooley, Hatch, Hawes, Heidrich, Honey, Hutton, Kane, LaVerdiere, Ledwin, Lemoine, Lundeen, Madora, Mailhot, Marley, Marrache, Mayo, McDonough, McGlocklin, McKenney, McLaughlin, McNeil, Mitchell, Murphy E, Nass, Norbert, Norton, Nutting, O'Brien JA, O'Neil, Paradis, Patrick, Peavey, Pineau, Quint, Richard, Richardson, Rines, Rosen, Savage, Schneider, Shields, Stanley, Stedman, Tarazewich, Tessier, Thomas, Tobin D, Tobin J, Trahan, Tuttle, Usher, Watson, Weston, Winsor, Young, Mr. Speaker.

NAY - Berry DP, Buck, Chase, Chizmar, Clough, Cressey, Dugay, Duplessie, Duprey, Foster, Gagne, Glynn, Goodwin, Green, Haskell, Jacobs, Jodrey, Jones, Kasprzak, Labrecque, Landry, Laverriere-Boucher, Lessard, MacDougall, Matthews, McGowan, McKee, Mendros, Michael, Michaud, Murphy T, Muse C, Muse K, Perkins, Pinkham, Sherman, Simpson, Skoglund, Smith, Snowe-Mello, Sullivan, Treadwell, Twomey, Volenik, Waterhouse, Wheeler EM, Wheeler GJ.

ABSENT - Annis, Bagley, Baker, Bliss, Crabtree, Dorr, Hall, Koffman, Lovett, Morrison, O'Brien LL, Perry, Povich, Tracy.

Yes, 90; No, 47; Absent, 14; Excused, 0.

90 having voted in the affirmative and 47 voted in the negative, with 14 being absent, and accordingly the Majority Ought to Pass as Amended Report was ACCEPTED.

The Bill was READ ONCE. Committee Amendment "A" (H-1002) was READ by the Clerk and ADOPTED.

Under suspension of the rules the Bill was given its **SECOND READING WITHOUT REFERENCE** to the Committee on Bills in the Second Reading.

Under further suspension of the rules the Bill was **PASSED TO BE ENGROSSED** as Amended by Committee Amendment "A" (H-1002) and sent for concurrence.

ENACTORS

Emergency Measure

An Act to Make Supplemental Appropriations and Allocations for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2002 and June 30, 2003

(H.P. 1574) (L.D. 2080)

(H. "K" H-986 to C. "A" H-968)

Reported by the Committee on **Engrossed Bills** as truly and strictly engrossed.

Representative KASPRZAK of Newport REQUESTED a roll call on **PASSAGE TO BE ENACTED**.

More than one-fifth of the members present expressed a desire for a roll call which was ordered.

The SPEAKER: The Chair recognizes the Representative from Kennebunk, Representative Murphy.

Representative MURPHY: Mr. Speaker, May I pose a question through the Chair?

The SPEAKER: The Representative may pose his question.

Representative MURPHY: Mr. Speaker, Men and Women of the House. What is the size of the structural gap contained in this budget that is before us?

The SPEAKER: The Representative from Kennebunk, Representative Murphy has posed a question through the Chair to anyone who may care to respond. The Chair recognizes the Representative from Livermore, Representative Berry.

Representative BERRY: Mr. Speaker, Men and Women of the House. From the blue sheet we had, the work sheet, with the budget documents the other day, I think the estimate was between \$500 an \$600 million.

The SPEAKER: The Chair recognizes the Representative from Kennebunk, Representative Murphy.

Representative MURPHY: Mr. Speaker, Men and Women of the House. It seems like just three years ago we were concerned about a structural gap moving up over \$100 million. We say in this session when we had a \$250 million shortfall we saw almost daily demonstrations, rallies, letters, editorials and e-mails talking about the impact on Medicaid and the state agency kids with their full reimbursement was not going to be included and what that meant without fully funding GPA cushion. If I could pose an additional question, Mr. Speaker?

The SPEAKER: The Representative may pose his question.

Representative MURPHY: Mr. Speaker, Men and Women of the House. To anyone from the Appropriations Committee, within this budget that is before us, that includes a projection for GPA in each of the two years, what would be that percentage increase for each year?

The SPEAKER: The Representative from Kennebunk, Representative Murphy has posed a question through the Chair to anyone who may care to respond. The Chair recognizes the Representative from Acton, Representative Nass.

Representative NASS: Mr. Speaker, Men and Women of the House. I am a little puzzled by the question. I am not sure it is a number that I am familiar with. Hopefully someone from the Education Committee might know what the projected increase is,