

MAINE STATE LEGISLATURE

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One Hundred and Eighteenth Legislature
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First Special Session (Continued)
May 20, 1997 to June 20, 1997

First Confirmation Session
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Pages 981 - 1977

19 Senators having voted in the affirmative and 14 Senators having voted in the negative, with 2 Senators being absent, the Bill was **PASSED TO BE ENACTED** and having been signed by the President, was presented by the Secretary to the Governor for his approval.

Senate at Ease

Senate called to order by the President.

On motion by Senator **PINGREE** of Knox, **RECESSED** until the sound of the bell.

After Recess

Senate called to order by the President.

Out of order and under suspension of the Rules, the Senate considered the following:

ENACTORS

The Committee on **Engrossed Bills** reported as truly and strictly engrossed the following:

An Act to Amend the Election Laws S.P. 574 L.D. 1731
(C "A" S-230)

Which was **PASSED TO BE ENACTED** and having been signed by the President, was presented by the Secretary to the Governor for his approval.

Emergency

An Act to Make Maine Health Insurance Laws Consistent with Federal Laws H.P. 1278 L.D. 1808
(C "A" H-610)

This being an Emergency Measure and having received the affirmative vote of 25 Members of the Senate, with no Senators having voted in the negative, and 25 being more than two-thirds of the entire elected Membership of the Senate, was **PASSED TO BE ENACTED** and having been signed by the President, was presented by the Secretary to the Governor for his approval.

Off Record Remarks

Out of order and under suspension of the Rules, the Senate considered the following:

COMMITTEE REPORTS

House

Ought to Pass

The Committee on **EDUCATION AND CULTURAL AFFAIRS** on Resolve, to Direct the State Board of Education to Study the School Funding Formula H.P. 1344 L.D. 1895

Reported that the same **Ought to Pass**, pursuant to Joint Order (H.P. 1332).

Comes from the House with the Report **READ** and **ACCEPTED** and the Resolve **PASSED TO BE ENGROSSED**.

Which Report was **READ** and **ACCEPTED**, in concurrence.

Under suspension of the Rules, the Resolve **READ TWICE**.

On motion by Senator **CATHCART** of Penobscot, Senate Amendment "A" (S-345) **READ**.

THE PRESIDENT: The Chair recognizes the Senator from Penobscot, Senator Cathcart.

Senator **CATHCART:** Thank you Mr. President, men and women of the Senate. I urge you to support this Senate Amendment that I have prepared for you tonight. The bill that we're dealing with here on the school funding formula is the study that was directed in the budget that we passed at the end of March and it directed the Joint Standing Committee on Education to report out a bill to give a process and a schedule for studying the School Funding Formula, and the Committee has worked for some weeks on this schedule and process. The amendment that I'm presenting to you tonight is essentially, what until last Friday, was the Majority report of a divided report that the Committee was working on. And I was on this side of this report and last Friday, under some pressure from time and from some of our leadership to try to get out a unanimous Committee report, some of us on the Committee who had been on this Majority report that you see as S-345 tonight felt pressured to go ahead and compromise, and we did compromise. And I realized later that the compromise we had agreed to funded the Essential Programs and Services Study for this year to report back in January and then only after that was back, it was going to set up a committee through the State Board of Education that would then study the school funding formula, but its date to report back, which is what I hadn't quite understood, was that it was not going to report back until the next Legislature in January of 1999. And even though I voted for this bill in the Committee last Friday, I think I made a real mistake there because my schools just are not willing to wait until 1999 for us to take another look at the school funding formula. They have lost so much money and I feel that I owe it to them to ask you to support this amendment tonight which asks for the School Funding Formula that we voted on in the budget, but it also asks that this be done at the same time as the State Board of Education is having the Committee study the Essential Programs and Services and that it allows them to work together and then come back to the Education Committee next January with their recommendations. I see no reason this wouldn't work extremely well. The Essential Programs and Services group was set up partly on the recommendation of the Wasser Commission which reported back in, which did '94 and '95 a study, a five member distinguished panel and they strongly recommended studying, because of the task force on learning results, the study of the essential services and programs based on the work of the Task Force on Learning

Results and that this plan include a parallel program creating accountability for essential programs and services. So I see this Essential Programs and Services study as sort of a two-part thing to look at such issues as the learning results and what subjects of study are described as essential in the learning results and what programs and services all of our schools must have to ensure that all of our children in the State of Maine get a good education. But the other part of that is looking at the adequacy of the school funding and whether it is distributed in a fair manner. And the Essential Programs and Services study as set up right now, I do not believe is going to do that. I really believe we need this second committee that will look at the school funding formula and that is what my amendment would do. We had agreement before the Committee changed this from the State Board of Education to do this separate study and then work in conjunction with the Essential Programs and Services group before coming back to us. They had agreed that that could be done. The members of the Education Committee had submitted names of people that we thought were experts in this area to the state board. We had a whole list of people that we had recommended from whom they could choose the ten members of this study group, and I know of at least one person who's told me that he was contacted and asked if he would serve on this study group starting right away. But for now, what the Committee has done, and not all the members of the Committee were even there last Friday and those people unfortunately, because of the pressure of time and getting a bill out, I don't blame anyone for that, but not all of the people on the Committee were even able to vote on this. But what I think it has done is it's put it off for a whole year later and, as I said, I just don't believe that our schools are willing to wait that long. I think this has to be done in the next year to give us, who are in this Legislature, a chance to be accountable for our essential programs and services and for the way we distribute our school funds to make sure that every child in this state is going to get an adequate and fairly equitable chance at an education. So I do urge your support and, Mr. President, I request a roll call. Thank you.

On motion by Senator **CATHCART** of Penobscot, supported by a Division of at least one-fifth of the members present and voting, a Roll Call was ordered.

THE PRESIDENT: The Chair recognizes the Senator from Cumberland, Senator Pendleton

Senator **PENDLETON:** Thank you Mr. President, men and women of the Senate. This issue reminds me a bit of a baby with colic. You think you just have it calmed down and quieted and, bingo, it starts screaming again. The Committee worked very hard, and as the good Senator from Penobscot said, Senator Cathcart, we worked many, many hours on this issue. It always boiled down to one thing. The one thing that it always seems to boil down to is that we have a pie that we are trying to cut up into several different pieces in order to have fair, equitable funding for all our municipalities and every single one of our school children in this state. The problem is, the pie is never big enough. When the state started cutting down or flat-funding our school GPA, we got into this horrible dilemma of how to cut up that pie. The problem I see with this amendment, and it's true, this was one of the reports of the three. We had three separate reports that we were going to come to the Legislature, the full Legislature, with and we thought, perhaps that was not responsible and maybe not fair to come with three different reports to have you take a look

at. So we sat down and tried to come up with a compromise which is the resolution before you. The amendment is one of those three reports. The problem the Committee had with this particular report which is on this amendment is that it gives a laundry list of different things that it's asking the State Board of Education to look into as far as school funding. Every single one of the issues on this laundry list has been studied and studied and studied again. It's like a laundry list. The problem is that the laundry has been washed, dried, and put away. What we've asked the State Board to do in this resolution is we've asked them to compile those studies, look at those studies, and let us know, first of all, what are the essential services and programs that we should be offering every student in the State of Maine. Once we've determined what those essential services are and what those programs are that are needed, then we asked the State Board to look at the funding formula to see that every single child in the State of Maine got a fair, adequate education. I believe that the resolution which was a unanimous report of those persons present is the best vehicle to get us to that end. And so I would wish that, and hope, that you would vote against this amendment so that we can move on to the resolution, the unanimous Committee report, and I thank you for your support.

THE PRESIDENT: The Chair recognizes the Senator from Washington, Senator Cassidy.

Senator **CASSIDY:** Thank you Mr. President, men and women of the Senate. I rise this evening to hope that you would consider supporting the present limit that we have before us. I've talked with many of you the last two or three years, here in the Chamber and in the corridors and the coffee shop, or wherever we may be discussing the issue of funding for education. As you know, a few years ago we had formulas that seemed to be working throughout the state. The last two sessions at least that I can attest to, we've had some big shifts in the funding and where it has gone in the state. And I've said many times in this Chamber, the thing that we need to be mostly concerned about is a fair and equitable education for every student in the State of Maine. It doesn't matter what geographical location they live in, and today we all know that we have just finally approved, last week, the learning results for the state and hopefully we're going to ensure that each child has at least proved that they have had a quality education and that they're competent in certain areas. And I'm really excited about this amendment. The reason that I am is because it asks us to come back in January when we still have time maybe to take a look. Are we offering a fair and equitable education in every county in the State of Maine? I know I've told you before, some of the hardships that we've had in my district and, as a matter of fact, I was watching the news on Channel 6 a couple of mornings ago and I saw this face I recognized and it was the Superintendent from Union 106 in Calais. And his discussion was that the city was looking at laying off 11 teachers in our small community of 4,000 people. He was talking about the other option of a 30% increase in taxes locally, which I'm sure the citizens would be very concerned about. And these kinds of issues that we're dealing with back in my district, and what I would like to see is to take a look at how are we funding our schools, what is the most fair option, what is equitable, and I see nothing wrong with a study that comes back and says, "Okay, this is fair. We need to adjust this. We need to add something to a formula." You know, I don't know what the answer will be, but it certainly doesn't hurt to look at the issue and I want to say that I am not the only person in these

Chambers that's concerned about this. I've talked to many of you who have had the same concern and therefore, I ask you to support the motion for this amendment that we have before us. Thank you.

THE PRESIDENT: The Chair recognizes the Senator from Androscoggin, Senator Nutting.

Senator NUTTING: Thank you Mr. President, men and women of the Senate. When I was here in the other body, I did spend 8 months, back in the late 80's, on a Commission studying the school funding formula. And it was a tremendous education for me. And as I look at the bill out of Committee and then as I look at the amendment, to me, I see a lot more clarity in the amendment. Part of that panel I was on, as the duties of that panel, we studied the essential programs but we also took a look at the school funding formula and the other adjustments or amendments that have been put on it over the years. We did this all at the same time and that's what's called for in this amendment. I think it's very, very doable. I'm troubled by the fact that, in the bill itself, we really don't get enough, a report back on equity until January 15, 1999. That's way too long for me. The amendment has the State Board look at, for instance, whether or not including income and cost of living adjustment factors has been fair. I know there's one particular community in my Senate District, a very, very poor rural community, that for some amazing reason, I haven't been able to figure out yet is, and I may be one or two off, but is the 35th wealthiest town in the State of Maine. And we have been over and over and over it and we just can't understand, and even talking with the people in the Department of Education, they can't understand why some communities are ranked higher than what you think they are and why some communities are ranked lower than what you think they should be. It's amazing to me that this rural town, the town of Wales, average community income is \$3,500 per house higher than Kennebunkport, Maine and has lost thousands of school funding dollars, thousands and thousands of dollars because of that. So I think we need to get this report quicker. We need to give the State Board of Education, and the experts that are going to come in to help them do this, more clarity, and the clarity I see in this amendment and I hope you will support the pending motion. Thank you.

THE PRESIDENT: The Chair recognizes the Senator from Sagadahoc, Senator Small.

Senator SMALL: Thank you Mr. President, men and women of the Senate. I really thought the good Senator from Cumberland, Senator Pendleton, did an excellent job of outlining the Committee's decision to have what was the unanimous report out of Committee on how we would conduct the study, but just to provide a little bit more information or maybe to clarify some issues. The income and COLA part of the formula that was new to the formula that we passed last session is going to be studied over the summer, well, probably starting September to January. The department will be coming back to us with a number of concerns that we've raised, such as the accuracy of the income data and how do we make that even more accurate, how do we get that down so that it's a true indication of a community's ability to pay and some issues that were brought up about the COLA. They will also be reporting back to us, so that we will have the information in January, to take a look at that portion of the funding formula that was the major change to the funding formula

that we passed last session. So that will be coming back in January, that's not to be postponed for another year. One of the reasons that we finally came to a unanimous report, we had a divided report for a while and then we came to a unanimous report, was the State Board's admitting that they did not have the time to do everything that was in the amendment. They're going to begin in September. There's no emergency on this amendment. There's no emergency on the bill. Frankly, we didn't think we could get the two-thirds to put that through. So they're going to begin in September and they're going to report back in January on how we're going to redo the funding formula, and as someone that's lived through that longer than she's cared to, you don't do something like that in four months and particularly with a state board that is a volunteer organization that also has a number of other tasks that they're supposed to be looking at and reporting back to us, such as school construction, such as essential services and now we're going to give them, take a whole look at the funding formula and report back to us in January on any major changes or making major changes. All the things that are in this amendment have already been studied and if you'd like a copy of their study, I'd be happy to provide you with one. They've been studied and studied, and we came up with a report last session that passed the Legislature and not everybody was happy with what happened with it. I would just as soon take a look at the income and COLA provision and see if that is as accurate as we need, not to eliminate it, but to look at how we gather the data and how we can make it even a better vehicle for assessing wealth. But I certainly don't want to see yet another change to the funding formula. We all marveled that we got the budget out in time so that schools could set their budgets. Well, that's really great for this year, but what happens next year if we come up with a whole new funding formula and they have to, again, make drastic changes to their budget. I mean, talk about not having long-range plans on your education strategies for your local districts. If you're going to be under the perception, and it's been that way every year or every session we've been up here, that every new Legislature's going to come in and create a new formula, it makes it very difficult to plan more than one or two years into the future. So I think just timewise it would be impossible for the state board to do what is asked of them in that amendment and they said as much to us.

The other part that I think is essential, no pun intended, we are looking at essential services and that is going to be, I think, a major, major policy change for how we fund education and I can't say how it's going to be changed because that's what the state board is looking at, but they're going to determine, as everyone said, what every school should be offering to the students of Maine, whether they are in western Maine or northern Maine or southern Maine, what every student has the right to expect from their education. And those things will be listed and then we are going to have to determine how are we going to guarantee that every student is going to be entitled to this, not the athletic programs, not the administrative cost, but the actual core curricula that the kids are dealing with every day. And we're going to have to look at how to make that doable in every district, not just my district, not just your district, but every district. That's where the change in the funding formula is going to take place but you can't do them simultaneously. You have to first determine what the essential services are and then you have to look at how we're going to fund them and that's why the delay on the funding portion was built in there. A, for the state board to have time to do the essential services and the other charges that we've asked of them and then to, after essential services have

been approved, how are we going to fund them? How are we going to implement them? And that, I think, is what should drive the funding formula, not an every year or an every two year cutting up of the pie and redistributing the money according to who's got the most political clout. It's unfortunate that every year we have to have this debate, and as the good Senator from Cumberland, Senator Pendleton, said, if we had enough money, we wouldn't even be dealing with this right now. We wouldn't even be discussing this because every district would be doing a little better than they did last year. But we don't have that money and hopefully essential services may be a catalyst to provide some more money to go into education so that all districts can make more the next year, even if they're losing students and even if their valuation is increasing which is usually the reason why subsidy is decreased in a district. So I hope you will vote for the indefinite postponement of that amendment so we can allow the state board to go ahead with its study in a very reasonable time frame and come back to us with first the essential services component and then the component on how we're going to fund that. Thank you.

THE PRESIDENT: The Chair recognizes the Senator from Penobscot, Senator Mitchell.

Senator **MITCHELL:** Thank you Mr. President, women and men of the Senate. I speak to you this evening in response to the cries I'm hearing and the outcry, rather, from our school officials, school board members and our Selectmen, town officials in the various communities in my district. I held educational forums within the last two weeks and two of them, the guest speakers were the Commissioner of Education and the Chancellor of the University. They were besieged with questions from both the parents and the concerned officials of the schools and our towns with, "You've got to do something for us on this formula. You're telling us about the learning standards, what we need to be doing to have equal education in this state, and yet we're cutting, first we started with sports and now we're cutting arts, and we're cutting music out of some our school programs because we cannot live with what we're receiving for an allotment. This formula, the 15% rule, 15% that covers the costs of living and the average income is not equal. Costs of living needs to be the same in the state, not changed and we're also looking at how are you determining the average income?" The answer was not clear and it was not accurate and the Commissioner admitted that this was not possible at this time. It wasn't accurate information that was given on the towns, on the accuracy of the income. They're also concerned and the questions that are still unanswered are what are we going to do about the out-of-district placement moneys that's killing us in a small town. If you have one student and it's costing you \$150,000 a year, how can the small towns afford that? There are problems like this that need to be addressed, they can't wait. And they're constantly asking, "What are you going to do to help us provide equal education and what are you going to do to help us? You have not taken away any of the tax burden, and we know you gave us a little more and the cushion has helped in some of our towns, but we're still less than what we had before and we're still having to cut programs that are critical. It isn't fair if students can go to a school in another area and achieve a different education, a much better education, than they can in a rural setting. So what are we going to do about it?" And this is why we feel that it needs to be expedited. The Board of Education, I've talked to a couple of members on the Board, they

realize the impact that this has on our school districts and I think by having this escalated and paying more attention to it, we need to be able to do something for relief for our schools in central and northern Maine and I urge you to vote in support of the amendment. Thank you.

THE PRESIDENT: The Chair recognizes the Senator from Penobscot, Senator Cathcart.

Senator **CATHCART:** Thank you Mr. President, members of the Senate. I know it's getting late and I'm sorry to rise again, but I did just want to say a couple more things. On one issue, we certainly all agree. If we had enough money to fund the formula adequately for everyone, then we'd probably all be very happy and our schools would not be calling us, those of us whose schools have lost \$3 million, or half a million or whatever in the last few years. Under the 1984-1985 school funding formula which was designed to produce equity in education for all the children in the State of Maine, Maine was a national model. It was a wonderful funding formula but it was driven by spending the money and needing more for the next year and it worked beautifully, up until we hit the budget shortfall in 1990 and we had to start fooling with it. The 1984-85 funding formula looked at the average per pupil expenditure for the State of Maine. It looked at each town and what property tax, what local effort that town was able to make and then, on top of that local effort, the state funded every pupil in that school up to the state average per pupil expenditure which was reasonably fair. Now, I mean nobody is ever going to stop towns that are richer from spending more money on their kids, sending them away on wonderful trips or whatever they are able to do. But don't we, as the Legislature, feel that we should at least assure that every child gets a basically good education, and that is what we are asking for. Since 1991, this Legislature, previous Legislatures, but the Maine Legislature has made changes in our school funding formula every year or every two years and Commissioner Albanese was kind enough with the Education Committee, for those of us who had not been on the Committee before, to go through those changes and tell us what had been done. I'm still trying, as the good Senator from Androscoggin, Senator Nutting, said, to figure out what's happened with some of my towns and I'm asking the department to give me more information. But the fact is that we keep changing it, and the previous Legislature to this one changed it again and all I can say is, I'm not sure what was wrong in that but it has got to be studied again and I would like as much as anyone else here to come up with a formula that would ensure equity and that we could stick with for a long time, the way we tried to do with the '84-'85 equitable funding formula, but that's not what's happened. This year even with the huge increase that we thank the Education and Appropriations Committees for and it was a very large increase, 47% of the schools in the state still lost funding, with the 2%, 3% and the \$3 million hardship cushion each year, nearly half of the schools in the state still lost funding. That says to me there is a crisis, that something is wrong, and I urge you to support this Senate Amendment so that we can get a study done by next year and make a difference. Thank you.

THE PRESIDENT: The Chair recognizes the Senator from Sagadahoc, Senator Small.

Senator **SMALL:** Thank you Mr. President. I just want to kind of clarify a couple of statements. One of the reasons that some districts received a significant loss this session, this year,

was the fact that we have been cushioning, we've been cushioning for the past sessions. Every time we made a change, we cushioned and so many districts that were due for a decrease because of declining students, even under the old formula, declining students and increased valuation got a cushion. They got a cushion one year, and the next year we created a different cushion and they got another cushion that year, and they got another cushion the next year. And all of a sudden, we've got a new formula. The cushions that were used when those formulas were being looked at are gone and so instead of having an incremental loss over the last four or five years, you had it all pushed up to one year. The cushions helped them to incur the loss in three or four years previous, but they never took into the consideration that it was a one-year cushion. It wasn't built into the formula. It was a cushion to help them make the changes in that year, to be able to budget for the next year, and when they didn't do that they might have gotten a cushion the next year, they might not. But if you look at the districts that received losses, you probably will find that they received cushions over the last couple of years and so the loss of students or the increase of valuation doesn't show up that much. I have a strange district that I have a gainer, I have losers, and I have some that stay right about in the middle and I look at that because, of course, the first thing that I thought when I looked at my district was, oh, oh, the losers lost because of the income and I'm responsible for that. So I looked at each town and I did a printout of why they lost money. Some of them lost money because they had had a cushion for the last couple of years and instead, if they hadn't had the cushion, they might have had a \$10,000 or \$15,000 loss each year, but all of a sudden it shows up as a \$47,000 loss and they can't figure out why they have it. It's because we cushioned them over the last few years. Every one of my towns that lost money gained in valuation, all at a greater rate than the state level, so that's one of the reasons and some of them also lost students. So it was very easy to see within my district what was driving those changes. It was the same thing that was in the previous formula, the same things that were in the formula of '85, valuation and students. Those are the driving forces behind the formula.

I just want to reiterate, the State Board has their plate full and if we ask them to do this list of things, I'm afraid we'll either come back with a very cursory examination of the funding formula or they're going to come back and say, "We didn't have time to get to one, two and three," and then we're going to have to do it all over again because it won't be acceptable. So I hope you will take a more measured approach, allow the essential services to be conducted, and then have the full look at the funding formula, not necessarily the formula, but how we're going to fund these, how we're going to guarantee that every child has access to those essential services. And Mr. President, I move that we indefinitely postpone the Senate Amendment and I request a roll call.

Senator **SMALL** of Sagadahoc moved to **INDEFINITELY POSTPONE** Senate Amendment "A" (S-345).

On further motion by same Senator, supported by a Division of at least one-fifth of the members present and voting, a Roll Call was ordered.

THE PRESIDENT: The Chair recognizes the Senator from Cumberland, Senator O'Gara.

Senator **O'GARA:** Thank you Mr. President, ladies and gentlemen of the Senate. If this were not such a serious issue, some of the remarks by those who are supporting the amendment would almost be amusing, but they're not amusing. I served 12 years in the other body, during which time many, many communities that were high receivers didn't even want to consider the requests by communities who felt that they were not being treated fairly by the so-called equitable formula, which in my judgment was never equitable for a very good reason. It was never equitable and that is because many, many of those communities never have come close to making any kind of a reasonable mil effort to fund their education. As a result, they were able to be high receivers and use their tax dollars for other purposes. But that's another subject for another time, although I understand that that is one of the issues that the State Board will be looking at and that is one of the reasons why I feel it is a reasonable period of time, not between September and January, but in the following year. As I started to say, for years I was asked, as many other Legislators were, to consider changing the formula, but there was no support. And then things began to change because of the economy and a variety of other things, certain parts of the state began to see a little light at the end of the tunnel. And now all of a sudden, the formula wasn't working very well and it ought to be changed. But before, there was no support for it. Now we're looking at a request to change, to look at the formula and perhaps it should be looked at but very carefully and very painstakingly, including taking a look at communities and just what kind of effort are they making. Yes, it's nice to say that towns like Cape Elizabeth and Yarmouth and others can spend all they want to spend, but the fact of the matter is that a lot of those communities, while they feel very strongly about the education, can look at other communities that aren't making anywhere near the effort they should be making. In my judgment, ladies and gentlemen of the Senate, it is a reasonable time period that is being asked by the Education Committee, a 13 to 0 report, not four months, three months or five months. It's going to take a period of time to look at all aspects of this issue. I know I'm coming dangerously close to making this an "us against them" or "north against south" or "rich against poor" and I really don't want to do that, but I am suggesting to you that this is not an issue that needs to be rammed through in a short period of time. It is an issue that needs a lot of time and a lot of thought and a lot of input from a lot of people. I sincerely ask you to vote for the motion to indefinitely postpone so that the original motion can go forward. Thank you very much.

THE PRESIDENT: The Chair recognizes the Senator from York, Senator Libby.

Senator **LIBBY:** Thank you Mr. President, men and women of the Senate. This has been a long debate, so I'll try to keep my remarks as short as possible. I think it's important to note that it's not the funding formula that is the problem and I think in order to really understand that, you have to take a look at what some of the other states are doing. Let me just give you one example. I got together with a bunch of groups, including the Education Commissioners of the states, on a trip I took a year or two ago and the state of Wyoming is the example I'm thinking of. Do you realize in the State of Wyoming, they had a similar problem to what we have and they did take a severe or a very difficult step in overcoming that. You know what they did? They redistricted and they went from a lot of districts down to 90, and that's not the

answer here but it's one possible solution. Here, in the State of Maine, we've got 287 school districts, or at least it's close to that at this point. Two hundred and eighty-seven school districts for a state with a population of 1.2 million. Compare that to the other states. Just compare it and you'll find, if you compare it by ratios or just by eyeing the numbers, you'll see that we have built-in waste, built-in waste. My school district, Bonny Eagle High School, I went to, is one of the largest districts in the state, as you know, one of the top three. We have one superintendent and an assistant. Now, for the same number of kids in other regions of the state, there can be as many as 20 superintendents. Now I've got a half-time Superintendent in my own district and I'd have a hard time justifying it. I'm not afraid to say that. The problem is structural. In northern and eastern Maine where admittedly, we're losing some students, you've still got the fixed costs, they're still there. And it seems to me, Mr. President, that that's a difficult problem. When you've got fixed costs and you've got fewer students, what do you do? Well, let me give you an example of a school district, or an area in the State of Maine, that did something about it. Rumford and Mexico. Rumford and Mexico. What did they do? They had to get together and combine the school districts because the mill closed down. The people left and that's what they had to do and it was a very difficult decision. It's painful but we have to face realities. The reality is, not only do we have a lot of school districts, we have a lot of municipalities, and there's duplication, there's duplication all throughout the system. If we don't take a look at either redistricting or consolidation, or even if it was voluntary, we've been looking in the two years that I was on the Education Committee. We looked at ways to build incentives for school districts to come to the state and say, "We're willing to combine." And there's actually three school districts right now, in central Maine, that have hired a consultant and they've formed a plan of how they would combine three school districts into one. Now whether or not they actually go forward with that plan and present that plan, I think we'd have to build more incentives for them to do that. It would be very difficult for them to come forward and do that when nobody else is doing it. But it's not the funding formula, it's not how we carve it up. When we were locked in that room for two months with Governor King and a mediator, two years ago on the Education Committee, Senator Abromson from Cumberland, Senator Small from Sagadahoc, myself and Senator Esty from Cumberland, and some good Representatives, we worked absolutely as hard as we could to make that funding formula as fair as we possibly could. And admittedly, one of the problems that resulted from what we did was that we don't really have the best data in the world to base the formula on. I think that was an excellent point that was brought up by the Senator from Androscoggin, Senator Nutting, some of the family income numbers, it's hard to believe, but we don't have the best of information here in the State of Maine. So we can tinker around with this all we want but it's not going to make a bit of difference. We're going to have to spend our moneys more wisely and we can do that and there are some studies actually already done for both consolidation and there's been redistricting studies done here in the State of Maine that we've looked at and they could be improved. They are not going to be improved by this amendment. This amendment's not going to get it and not only that, what this amendment will do, it will further the division, if there is one, between the north and the south. We can't afford to do that. We've got to stick together. We've got to come out with, and work on, a plan that makes sense. A plan like the one that was brought about in the town of

Rumford and the town of Mexico or a similar plan. You know, Lewiston and Auburn got together, and this is going to be my final remark. Lewiston and Auburn got together a few years ago and decided, "We're going to combine and we're going to purchase our number two fuel oil together and see how much we save." They saved thousands and, you know, that around the state, there has been a good movement by several school districts and actually, several groups of school districts to get together and purchase things in larger quantities and using economies of scale. And that's the one thing that I always respected about our last commissioner, Commissioner Mowat. He talked about economies of scale every single time he got up to the microphone. So, I guess I've spoken too, long here but I think you understand the point. This isn't going to do it. We've got to make some tough decisions here and I know we can do that, so I recommend that we please vote for this indefinite postponement of this amendment and then we get down to business and try to find out how we can save some money in the State of Maine and spend it more wisely in our school systems. Thank you.

THE PRESIDENT: The Chair recognizes the Senator from Androscoggin, Senator Nutting.

Senator NUTTING: Thank you Mr. President. I'll be brief, I know it's my second time tonight, but I'm going to be voting against the pending motion. I believe the State Board of Education, if this bill passes, there's absolutely no need for them to wait until September 1st to begin the process. I believe they could begin much, much quicker than that. I need to also relay something that much of the work has already been done. For over 10 years now, the state has kept accurate numbers, as far as the number of property tax mills that are raised just for education in every community in the State of Maine. And in the 80's, when I served on the panel that studied the school funding formula then, most communities in Maine raised between 10 and 11 1/2 mills for education. Well, ladies and gentlemen of the Senate, if you look at that list now, I'm seeing communities that have gone from raising 10 1/2 mills down to 7. I've seen communities that have gone from raising 10 1/2 to 11 mills up to 16 and 17 property tax mills for education. That's something I can't personally live with and can't put off making a recommendation on until January 15, 1999. I'm going to be voting against this pending motion. Thank you.

THE PRESIDENT: The Chair recognizes the Senator from Cumberland, Senator O'Gara.

Senator O'GARA: Thank you Mr. President. Briefly, ladies and gentlemen of the Senate, to suggest that we use the numbers that most of the work is already done, to suggest that we use that data and that work is to suggest that we are going to be right back where we've been when we started.

THE PRESIDENT: The Chair recognizes the Senator from Cumberland, Senator Amero.

Senator AMERO: Thank you Mr. President, ladies and gentlemen of the Senate. I think, if there's one thing that's true in every school district across this state, there isn't a school district that feels that they are getting their fair share through the School Funding Formula. I've served on 4 of the last 5 School Funding

Task Forces. We've had 5 task forces in 10 years. Each one of those task forces has opened up the whole school funding formula and looked at all of the issues that have been brought up tonight. At least in the last two reports, I've served with Senator Goldthwait who was then Councilor Goldthwait, back in 1993 and then in the last report, 1995, the Rosser Commission Report. Both of those reports recommended that we stop this constant changing of how you cut up the pie and instead look at what is happening in each of the school districts and let's look at what programs are being offered. Let's evaluate those and then let's fund, based on the districts that aren't providing those essential programs and services. And that's what I like about the report that came out of this Committee, because it focuses the Committee on, "Don't look at everything that has to do with school funding. Don't start again, from scratch, like the last 5 commissions have done. Focus on essential programs and essential services and tell us how we can better fund those programs across the state." Because if we, once again, open up everything to study, it's going to take a long, long time to do it right because all of the State Board of Education members are going to have to get up to speed. It takes months to go into all the intricacies so that people understand it carefully. If we can focus our efforts and pass the Committee's report I think we'll be doing a service for the people of this state and then begin to, continue to keep the data, to see whether we've got the right proportion as far as basing our formula on 85% property valuation, 15% income and those kinds of things that we can always change. But the real issue of what kind of services children are receiving across the state in our schools is the one we've really got to focus on and the one we can make a difference with if we accept the Committee's recommendation and indefinitely postpone the amendment before us. Thank you.

The Doorkeepers secured the Chamber.

The Secretary called the Roll with the following result:

ROLL CALL

YEAS: Senators: ABROMSON, AMERO, BENNETT, BENOIT, BUTLAND, CAREY, GOLDTHWAIT, HARRIMAN, LAFOUNTAIN, LIBBY, LONGLEY, MACKINNON, MILLS, O'GARA, PARADIS, PENDLETON, PINGREE, RAND, SMALL, THE PRESIDENT - MARK W. LAWRENCE

NAYS: Senators: CASSIDY, CATHCART, DAGGETT, FERGUSON, HALL, KIEFFER, KILKELLY, MICHAUD, MITCHELL, MURRAY, NUTTING, RUHLIN, TREAT

ABSENT: Senators: CLEVELAND, JENKINS

20 Senators having voted in the affirmative and 13 Senators having voted in the negative, with 2 Senators being absent, the motion by Senator **SMALL** of Sagadahoc to **INDEFINITELY POSTPONE** Senate Amendment "A" (S-345), **PREVAILED**.

Which was **PASSED TO BE ENGROSSED**, in concurrence.

Under suspension of the Rules, all matters thus acted upon were ordered sent down forthwith for concurrence.

Out of order and under suspension of the Rules, the Senate considered the following:

COMMUNICATIONS

The Following Communication: S.C. 350

**STATE OF MAINE
HOUSE OF REPRESENTATIVES
AUGUSTA, MAINE 04333**

May 29, 1997

Honorable Joy J. O'Brien
Secretary of the Senate
118th Legislature
Augusta, Maine 04333

Dear Madam Secretary:

The Speaker appointed the following conferees to the Committee of Conference on the disagreeing action of the two branches of the Legislature on Bill "An Act Regarding the Taxation of Goods Purchased in Connection with the Operation of a High-stakes Beano or High-Stakes Bingo Game" (H.P. 1307) (L.D. 1855):

Representative GREEN of Monmouth
Representative GAGNON of Waterville
Representative CIANCHETTE of South Portland

Sincerely,

S/Joseph W. Mayo
Clerk of the House

Which was **READ** and **ORDERED PLACED ON FILE**.

Out of order and under suspension of the Rules, the Senate considered the following:

COMMITTEE REPORTS

House

Ought to Pass As Amended

The Committee on **TAXATION** on Bill "An Act Concerning Technical Changes to the Tax Laws" (Emergency)
H.P. 601 L.D. 792

Reported that the same **Ought to Pass as Amended by Committee Amendment "A" (H-732)**.

Comes from the House with the Report **READ** and **ACCEPTED** and the Bill **PASSED TO BE ENGROSSED AS AMENDED BY COMMITTEE AMENDMENT "A" (H-732)**.

Which Report was **READ** and **ACCEPTED**, in concurrence.