

Municipal Opposition to the GA and GPA Elements of Proposed State Budget “Change Package”

Governor LePage’s “change package,” which modifies his originally-proposed state budget, was presented to the Appropriations Committee on Friday last week.

The change package was developed to address a new \$164 million hole that has been identified in the next 2-year budget period (FY 2012-2013). This new \$164 million problem is caused by four factors: (1) reductions in state revenue projections (net \$35 million over the FY 2011-2013 triennium); (2) an updated analysis of the Maine Public Employees’ Retirement System and its budgetary impacts (\$80 million); (3) a required Medicaid-related pay-back to the federal government (\$30 million); and (4) increased demands on the Medicaid program (\$17 million).

The change package proposes to address that \$164 million hole in a variety of ways.

Significant changes are being proposed, for example, for the state’s Medicaid program, over-and-above the Medicaid changes proposed in the originally proposed budget. The state would stop providing Medicaid health insurance on Jan. 1, 2012 to the “non-categorical” population that has been receiving Medicaid through an agreement (or “waiver”) with the federal government. The non-categorical population is made up of adults without dependent children who have an income below a certain percentage of the federal poverty level. Also, the state would stop providing Medicaid to parents in households with income levels between 133% and 200% of the federal poverty level (the “parent expansion” program).

The two elements of the change package that most directly affect municipal government are a proposal to make anyone receiving or eligible to receive a federal cash assistance benefit categorically ineligible for any General Assistance benefits provided at the local level. Although this exclusion would presumably include recipients of social security insurance and social security disability, it would most notably exclude recipients of Temporary Assistance for Needy Families (TANF).

The change package would also restructure the school funding model in such a way to reduce the state’s “55%” financial obligation.

MMA’s 70-member Legislative Policy Committee (LPC) voted to oppose both of these “change package” proposals.

No General Assistance for TANF Recipients. The LPC’s opposition to the General Assistance proposal was centered on the arbitrary nature of the

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Tax Committee Democrats Finalize Alternative Budget Proposal

Plan Includes Ramped-Up Restoration of Municipal Revenue Sharing

Governor LePage’s original state budget proposal included income tax and estate tax cuts valued at \$203 million over the next biennium, with much greater fiscal impacts “tailing” over the following biennium.

The April 22 edition of the *Legislative Bulletin* described the changes to the Governor’s proposal as recommended by the majority Republicans on the tax panel and reported back to the Appropriations Committee. That recommendation has now been endorsed, almost to the letter, by the Governor and re-presented to the Appropriations Committee as part of his “change package”.

The chief difference between the Governor’s original proposal and the majority recommendation of the Taxation Committee is replacing a “bonus depreciation” proposal, which would

allow for immediate increases in a business’s allowed depreciation schedule, with additional modifications to the personal income tax code, including reducing the number of graduated income tax rates from the current four (2%, 4.5%, 7% and 8.5%) to just two. The majority recommendation also called for a half-dozen sales tax exemptions, including meals at retirement facilities, fuel used in fishing vessels, parts and supplies for the wind-jammer sailing ships, etc.

The fiscal note on the Republican’s majority plan, would cut about \$200 million out of the state’s General Fund over the FY 2012-2013 biennium and about \$400 million out of projected state revenue for the following FY 2014-2015 biennium.

The minority Democrats on the

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Change Package (cont'd)

categorical ineligibility. If the monthly income of a three-person household is \$485, the challenges to avoid emergency situations are still the same whether the income is part-time earnings or a TANF benefit. It is not the source of the income that counts; rather, it is how the income is being used and the efforts the recipients are making to better their financial circumstances. Both MMA and the Maine Welfare Directors' Association caused legislation to be submitted this session to strengthen GA programmatic rules in such a way to make the arbitrary cut-off approaches both unnecessary and inappropriate. Both of those bills, however, have been given unanimous "ought not to pass" votes by the members of the Health and Human Services Committee.

Restructuring the State Share of K-12 Education. The LPC's opposition to the proposed restructuring of the state share of K-12 education was unequivocal and resounding. In summary, the change-package proposal would allow the state to count its payments for teacher retirement and retired teachers' health insurance premiums as part of its 55% school funding obligation. What follows are excerpts from MMA's testimony to the Appropriations Committee in opposition to that proposal:

In 1984, the Legislature established a goal of providing "at least 55% of the total allocation from General Fund revenue resources or a percentage no less than that provided in the year prior to the year of allocation, whichever is greater." The term "total allocation" was

a specifically defined term referring to the combination of the total "program cost" allocation, the "operating cost" allocation, and "debt service cost" allocation. "Total allocation" did not include the state-paid costs of teacher retirement or retired teachers' health insurance.

In 2004, the voters of Maine adopted a citizen initiative that, in part, directed "the Legislature each year to provide at least 55% of the cost of the total allocation for kindergarten to grade 12 education from General Fund revenue sources." That law adopted by the voters went on to expressly define "total allocation" to include the "foundation allocation for a year, the debt service allocation for that year, the sum of all adjustments for that year and the total of the additional local appropriations for the prior year." Again, the term "total allocation" did not include the state-paid costs of teacher retirement or retired teachers health insurance. The original intent was entirely preserved.

The initiative adopted by the voters went on to provide that "In the event the Legislature implements an alternative school funding model that alters the meaning of the terms used in this Title or otherwise makes obsolete the system of allocations and local appropriations established by this Title, the term "total allocation" as it applies to the mandatory (55%) appropriation required by this (initiative) means the amount reasonably calculated as the equivalent of this definition."

In short, for nearly 30 years there has been a standard in law – first as a "goal" and then as a directive from the voters – establishing a certain state share (55%) of a fixed and defined expenditure. That fixed expenditure never included the costs of teacher retirement or retired teachers' health insurance. The undeniable purpose of establishing that standard, both in 1983 and again in 2004, was to provide some protection against a severe overreliance on the property tax to finance K-12 public education.

Now, seven years after the voters' adoption of that initiative, the Governor is proposing to twist the voters' directive into something it never was. In so doing, the proposal goes directly against the wording in the citizen initiative that

was designed to protect against legislative manipulation of the 55% standard.

Municipal officials could not more strongly disagree with this action. It represents a breach of trust with the voters of this State and a dishonoring of their legitimate interest in securing a 55% share of the cost of K-12 education – as that term has always been defined – from the state's broad-based tax resources.

Municipal officials are not suggesting the Legislature should be prohibited from redefining the "total allocation". The citizen initiative of 2004 expressly recognized that the Legislature might restructure the school funding model, and if the Legislature wants to now include the costs of teacher retirement and retired teacher health insurance premiums within the "total allocation", that proposal should be carefully considered and evaluated for its impacts, but not in the crush of a budget bill.

What should not be accomplished by this Legislature, however, is a statutory redefinition of the "total allocation" to cheapen the impact of the 55% requirement at the expense of the property taxpayers of this state. That is exactly what happens under this proposal. The state's share of K-12 education jumps from 45% of the existing "total allocation" to 50% of the newly defined "total allocation", without providing a single additional penny toward the costs.

The way to balance any legislative interest in folding teacher pension and health care premiums into the "total allocation" with the municipal (and voters') interest in retaining the 55% standard would be to recalculate the required state share of the total in such a way to retain the state's obligation to provide 55% of the total allocation as the total allocation is currently defined. In that recalculation, the state's required share of the newly defined "total allocation" needs to be recalibrated somewhere in the 58-60% range.

These are not new rules. They are rules the voters established in 2004. The Legislature should not dishonor this important policy directive by converting it into a new, cheapened standard that has never been established, either by the Legislature 30 years ago or by the Maine's voters seven years ago.

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“Taking” Another Look: How Municipalities Fared with the Civil Rights and Regulatory Taking Bills

To start the week off, the Judiciary Committee considered three bills of particular municipal interest during Monday’s work session. All three of these bills could have significant financial implications to municipalities, if they were to be enacted by legislature. Not only would there be financial impacts, two of these bills could also drastically change the role local government plays in the enforcement of environmental protections.

Reintroductions. The first bill worked by the Committee was LD 573, *An Act to Protect the Civil Rights of Citizens*, which was sponsored by Senator Lois Snowe-Mello (Androscoggin Cty.). This bill, if enacted, would allow a person to bring a civil action for a violation of a person’s constitutional rights against a person acting “under the color” of a statute, ordinance, rule, regulation, custom or usage of the state or a political subdivision of the state. For more information about what happened at the public hearing, please refer to the April 1 edition of the *Legislative Bulletin*.

The Committee then looked at the other two bills being worked that day: LD 1135, *An Act to Protect the Rights of Property Owners*, and LD 1477, *An Act to Protect Owners of Real Property*. LD 1135 would require the state, a municipality and a county to pay compensation for the enforcement of land use regulations that reduce the fair market value of private property, with very limited exceptions. The other regulatory takings bill, LD 1477, establishes a right of action in the courts for a person to be compensated for a reduction in the value of their real property after a certain threshold of lost value is reached as a result of the enforcement of a state or local land use regulation. Please refer to last week’s *Legislative Bulletin* to get the lowdown on what happened at the public hearings for these bills.

Work Session Happenings. At the work session, the Committee voted 7-1 “ought not to pass” on LD 573 and LD 1135, with the minority report on both bills being “ought to pass as amended”. With these lopsided “ought not to pass” recommendations, the enactment of these

bills is unlikely.

The bill that received the most attention was LD 1477. At least some Committee members appeared more comfortable with this bill compared to LD 1135 due to the 50% diminution-of-value threshold, but a number of Committee members still expressed some concern related to the retroactivity element of the bill, the cost to local and state government, and what environmental impacts this bill could have if the accused government entity decided to exempt the property from the land use regulation being questioned by the property owner in lieu of paying compensation for damages to the property. Some Committee members indicated that they

liked the concept of the bill but needed more time to research a similar law in Florida to better understand the impacts and possibly improve on that law.

After more discussion, LD 1477 was tabled so that the Committee chairs could see if funding for legislative studies to be conducted over the summer would be available. That information will be reported back to the Committee at a later date. It appeared that the Committee was looking to carry over LD 1477 to next year in order to conduct a study on this issue. A decision by the Committee on whether to carry over the bill to the next session could occur as early as today (Friday, May 13).

Tax Committee (cont’d)

Taxation Committee put forward another recommendation at the same time, but it wasn’t completely formed and the fiscal impacts had not yet been calculated.

The minority Tax Committee recommendation is now available for a full comparison.

This plan would cut state General Fund revenue by approximately \$88 million over the biennium, through the following changes:

1) Each of the four income tax brackets in the current state income tax code would be increased by 5%. In addition, the state’s Earned Income Tax Credit would be increased from 5% of the federal credit to 10%, and the EITC would be made “refundable”, which means those income tax filers would be entitled to the full value of the credit even if it exceeded their state income tax obligation. (Cost to the General Fund: approximately \$41 million over the biennium.)

2) Changes to the way businesses can expense certain items, which is a proposal that is also a part of the Republican plan. (Cost to the General Fund: approximately \$10 million over the biennium.)

3) Create a sales tax exemption for the meals provided at retirement facilities. (Cost to the General Fund: approximately \$2 million over the biennium.)

4) Begin restoring municipal revenue sharing by putting back 25% of the revenue sharing cut into the FY 2012 distribution, 50% of the cut in the FY 2013 revenue sharing distribution, 75% of the revenue sharing cut in FY 2014, reaching full restoration of the municipal revenue sharing program by FY 2015. (Cost to the General Fund: approximately \$35 million over the biennium.)

It is gratifying that the deep \$100 million biennial cut to municipal revenue sharing has not been forgotten. It is much appreciated that there is a willingness to chart a path to a restoration of a program that has been deeply slashed by gubernatorial recommendation and legislative ratification over the last several years.

The deep interest embedded in the budget proposal to deliver \$200 million in income tax cuts seems to have rolled over the fact that the same document is proposing to cut a property tax relief program by half that amount.

A report-back recommendation by a four-person minority of the Taxation Committee doesn’t exactly reflect the seat of power, but it’s a start. The deep revenue sharing cuts to fund the proposed state budget, including the depth of the income tax reductions, haven’t been forgotten or left unrecognized by everyone.

The Train Has Left the SLG Committee Room

Facing a deadline to get its bills reported out to the full Legislature, the State and Local Government Committee reviewed, processed and took positions on 27 bills in two days. Of the bills processed on Monday and Wednesday this week, eight were of significant interest to municipal officials, two of which were included as part of the Maine Municipal Association's 2012-2013 legislative platform.

On balance, the municipal community was treated well by the Committee. Throughout its deliberations and decisions, the Committee illustrated a respect for local control and faith in the abilities of local legislative bodies to make decisions that best meet the needs of the entire community. On two occasions, the unanimous votes of the Committee took the Association, as well as other interested parties, by surprise. That said, the Committee was not always on the same page as municipal officials.

A Few Surprises

Amending the Building Code Law. This session, the Maine Uniform Building and Energy Code (MUBEC) law, enacted in 2008, is the subject of many proposed amendments. Some of the amendments are technical in nature, while some propose substantive changes to the way the code is applied and enforced. Some of the more substantive changes provide municipal officials more flexibility in determining how and to what extent local-level resources are used to enforce of the state's building code law.

The fate of one of the "local control" approaches was decided on Wednesday this week when the State and Local Government Committee voted "ought to pass as amended" on LD 1416, *An Act to Provide Options to Municipalities Concerning the Maine Uniform Building and Energy Code*.

Before describing the Committee's action, it should be pointed out that bills that would "fix" the MUBEC program have been referenced to two separate legislative committees. While the State and Local Government Committee is considering LD 1416, the Labor, Commerce, Research and Economic Develop-

ment Committee (LCRED) is considering several other MUBEC fix-up bills. The LCRED Committee is generally considered to be the committee "of jurisdiction" on this issue. If you're confused by the competing committee jurisdiction, you are not alone.

As proposed in LD 1416, the MUBEC standards would apply only in communities that adopt the code. The bill would also provide flexibility to municipalities by enabling adoption of the entire code or portions of the code. Under existing law, the code exists throughout the state, but only municipalities with populations 2,000 or greater must enforce the program.

The local control approach found in LD 1416 differs in one important way from the one MMA supported and advanced at the open door request of the chairs of the LCRED Committee. As advanced by MMA, municipalities, regardless of population, would be allowed to decide whether or not to enforce parts or all of the statewide code, but if a community opts not to enforce the code, the code would nonetheless apply, with the enforcement responsibility falling entirely to a third-party inspection process.

As will be described in greater detail in next Friday's (May 20th) edition of the *Legislative Bulletin*, the LCRED Committee voted unanimously to support an amended version of LD 1253, *An Act to Amend the Laws Governing the Enforcement of Statewide Uniform Building Codes*. All the details of that amendment are not fully known, but prior to the work session on LD 1253, the LCRED Committee chairs invited all interested parties to submit their ideas for improving MUBEC. The plan was to use LD 1253 to advance all proposed MUBEC fixes into one consolidated effort.

During the State and Local Government Committee's work session on LD 1416, the members received a message that the LCRED Committee was going to further amend its MUBEC fix-up bill (LD 1253) to include a provision providing municipalities "opt-in" authority on enforcement. However, that message did not alter the State and Local Government Committee's determination to advance its

own version of that concept.

As amended by the unanimous vote of the Committee, the adoption, implementation and enforcement of the statewide building code in communities with populations 4,000 or less would be optional. Under this proposal, municipalities that adopt a building code would be obligated to use the MUBEC. In communities with populations of 4,000 or less that do not adopt a building code, no building code standards would exist. Municipalities with populations over the 4,000 threshold would retain existing enforcement obligations.

It appears that legislation will be enacted this year to provide communities with more control over the state's building code process. The extent of that local control, however, will be determined by the entire Legislature as it debates the merits of the LCRED Committee's enforcement option (LD 1253) and the State and Local Government Committee's adoption option (LD 1416).

Limiting Interest Charges Against Municipalities. Although municipal officials opposed LD 1343, *An Act to Limit Interest Assessed against Municipalities*, the Committee unanimously supported an amended version of the bill.

As printed, LD 1343 would prohibit a business concern from charging a municipality interest on a proper invoice submitted to the municipality less than 26 days after receipt of the invoice by the municipality.

Municipal officials opposed LD 1343 because they didn't think the towns and cities should be exempted from the payment policies applied by certain vendors to all other consumers of goods and services.

However, as amended by the Committee, businesses would be required to provide municipalities a 30 day grace period before assessing interest on payments owed.

Areas of Disagreement

Providing Efficient and Effective Public Notice. LD 392, *An Act to Amend the Requirements for Publishing Municipal Legal Notices*, sponsored by Rep.

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SLG Committee (cont'd)

Terry Hayes of Buckfield, would authorize municipal officers to adopt alternative legal notice publication policies. Under existing laws, all legal notices must be advertised in newspapers mailed second class; that is, the state's largest daily and weekly newspapers. As proposed, the bill would enable municipal officers to adopt policies to use alternative newspapers, such as free weeklies, and electronic media, provided that certain criteria were met. Municipal officials believe that this change would enable municipalities to provide the most effective notice in the most efficient manner possible.

LD 392 is one of the 16 bills on MMA's platform.

At the public hearing on the bill, the newspaper industry's testimony largely focused on the important role public notice revenue plays in the financial stability of the newspaper industry. Much of the testimony provided suggests that the loss of municipal legal notice revenue would place another nail in the industry's coffin. According to a representative from the Journal Tribune, if LD 392 was enacted, the newspaper would lose 22% of its revenue.

On Tuesday this week, the Committee voted by a margin of 5 to 4 "ought not to pass" on LD 392. Although the discussion was brief, one Committee member stated that he could not support the legislation at this time because of the financial pressure being placed on the industry.

That being said, the Committee then unanimously voted "ought to pass as amended" on LD 940, *An Act to Increase Access to State Rule-making Notices*. Among other things, LD 940 generates state-level savings by relaxing the state's rulemaking publication requirements.

Recalling Municipal Officers. In response to the upheaval resulting from criminal charges filed against a Chelsea selectperson, Rep. Deborah Sanderson submitted LD 1533, *An Act to Provide for a Method to Remove an Elected Municipal Official*.

As proposed, in the absence of a locally adopted ordinance, a process would be available in state law for residents to recall municipal officers. As drafted, the recall process established in statute

would only be available if the purpose of the recall was for the neglect of duty, misconduct or malfeasance.

Although there was no public support for the bill offered at the public hearing, the Committee unanimously voted to support an amended version of LD 1533. As amended by the Committee, the recall process would only be available to residents if the municipal officer subject to the recall had been convicted of a Class A, B or C felony crime against the municipality.

Municipal officials oppose the bill because they believe that applying a statewide fix to address the problems faced by one community is inappropriate, especially when each community is already authorized to adopt these policies and procedures if necessary.

Expanding the Deadline for Recording Subdivision Plans. The Committee unanimously voted to support LD 1460, *An Act Concerning the Recording of Plans for Subdivisions*.

As sponsored by Sen. Douglas Thomas of Somerset County, LD 1460 would preempt municipalities from adopting ordinances regulating the timely recording of subdivision plans. As proposed, developers would be allowed at least 90 days to record the plan. Currently, municipalities are provided home rule authority to establish a recording deadline that does not exceed 90 days. The maximum, under LD 1460, becomes the minimum.

Municipal officials oppose the legislation because they do not understand why a developer would need as much as three months to record a completed subdivision plan. Without an articulate reason for why a change of this nature is necessary, it is difficult to support an initiative that will require municipalities that have adopted subdivision recording ordinances that are less than 90 days to undertake the task of amending those ordinances so that subdividers can delay recording their subdivision plats, which state law requires the towns and cities to review and approve in a timely manner.

Areas of Agreement

Achieving Credit/Debit Card Service Charge Parity. The Committee unanimously voted to support an amended version of LD 1223, *An Act Regarding*

Credit Card Transactions for InforME Services. The bill, sponsored on behalf of MMA by Rep. Denny Keschl of Belgrade, would enable municipalities to authorize the InforME system to shift credit/debit card convenience fees to the user of the card, rather than the municipality.

Currently, if a resident uses the InforME system to pay a \$100 excise tax bill by credit card, the resident is charged \$100. However, the credit card company keeps a piece of that payment as a "merchant fee", generally 2.5% of the total purchase price, and the municipality receives less than \$98 against the \$100 excise tax bill. As a result, the other taxpayers in the municipality have to cover the \$2 difference.

As amended by Committee, municipalities would be allowed, but not mandated, to authorize the InforME system to assess a portal fee to ensure that entire fee or tax is remitted to the municipality.

Shifting Legislative Responsibility to the Electorate. By a margin of 9 to 1, the Committee voted "ought not to pass" on LD 1248, *An Act to Require Approval by the Voters of the Legislation to Enact or Increase a Tax or Fee*. As proposed, LD 1248 would require statewide referendum approval for the enactment of any newly created or increased tax or fee.

Municipal officials opposed the bill because it shifts decision making authority on important fiduciary matters out of the hands of the people elected to do the job. It is somewhat akin to requiring the decisions made by the town meeting to be subsequently ratified by municipal wide referenda.

Establishing Qualifications for Municipal Officers. LD 1297, *An Act Relating to the Qualifications for the Position of Municipal Officer*, would prohibit any employee of a town from also serving as a selectman unless the town was operating under the town manager plan.

The Committee unanimously voted "ought not to pass" on LD 1297.

Next Steps

The Committee's decisions on these bills will now be transmitted to the entire Legislature for further deliberation. We encourage municipal officials to contact their legislators to share their opinions on these municipal issues.

FOAA Better or Worse: The Right to Know Law Work Sessions

What happened at work session.

On Wednesday, May 11, the Judiciary Committee held more work sessions on various Right to Know law bills, with LD 1465, *An Act to Amend the Law Governing Freedom of Access*, being the bill of particular municipal interest that day. LD 1465 would amend Maine's Freedom of Access Act (FOAA) in numerous and significant ways. Please refer to the sidebar on page two of the April 29 edition of MMA's Legislative Bulletin for all of the changes to FOAA this bill would require. In summary, LD 1465 would establish a long string of requirements for municipal officials to immediately provide requestors with the public records they desire in the format and medium of the requestor's choice, or else be deemed violators of Maine's Right to Know law.

By a unanimous vote of the 8 Committee members present, the Committee decided to carry LD 1465 over to the second session of the 125th Legislature in order for the Right to Know Advisory Committee (RTKAC) to study the bill and report back its recommendations to the Judiciary Committee. At that time, the Judiciary Committee will schedule a public hearing on the bill, or an amendment to the current bill, in order for the Committee to hear both sides of the issue.

What is the Right To Know Advisory Committee and why is this bill getting referred to them? RTKAC is an on-going advisory council, created in 2006, with oversight authority and responsibility for a broad range of activities associated with the purposes and principles underlying Maine's Freedom of Access laws. RTKAC was created to serve as a resource and advisor about Maine's Freedom of Access laws. The Advisory Committee may make recommendations for changes in statutes to improve the laws and may make recommendations to the Governor, the Legislature, the Chief Justice of the Supreme Judicial Court and local and governmental entities with regard to best practices in providing the public

access to records and proceedings and to maintain the integrity of the Freedom of Access laws.

There are 15 members of the RTKAC: two legislators from the Judiciary Committee, one municipal representative, one county representative, one representative

of school interests, one law enforcement representative, one state government representative, one freedom of access advocate, two press representatives, two representatives of the broadcasting industry, two representatives of the public and the Attorney General or designee.

Ed Committee Splits on Religious School Tuition Bill

LD 250, *An Act to Permit Tuition Subsidies by Municipalities*, would set aside a considerable body of both statutory law and decisions by Maine's courts in order to authorize the state's towns and cities to raise and appropriate property taxes to provide reimbursements to those parents who have chosen to send their children to religious schools or other private schools that current law excludes from directly receiving "public funds".

Sponsored by Rep. Amy Volk of Scarborough, LD 250 adds a sentence in the "home rule" section of municipal law allowing public funds to be distributed to those parents if the municipality adopts a resolution to do so.

The issue flows out of a 2008 decision of Maine's Supreme Judicial Court cited as *Joyce v. State of Maine*. The Joyce case involves a family residing on Swans Island, located east of Deer Island-Stonington and south of Mt. Desert. Swans Island does not have its own high school and provides its residents with open choice. In 2006 the town meeting adopted a policy that provides any Swans Island family a monthly subsidy if they are enrolling their student in a private high school that is ineligible to receive public funds according to state law.

That law is found in 20-A MRSA, Section 2951, which prohibits three categories of private schools from being approved to receive public funds: (1) schools that are not incorporated or have not met certain basic requirements for

school approval; (2) religious schools; or (3) schools unwilling to comply with certain reporting and auditing requirements.

In 2007, the Maine Attorney General's Office issued a letter identifying the conflict between the Town's policy and the prohibition in statute. That letter stated that the town's public funds cannot be used to support the education at a religious school whether provided directly to the school in the form of tuition or to the student's parents in the form of tuition subsidy. The Town discontinued its tuition subsidy policy pending a determination of its legality. The Joyce family filed a complaint in Superior Court, but both the Superior Court and ultimately the State Supreme Court ruled that state law prohibits the tuition reimbursement policy as adopted by Swans Island.

LD 250, as amended by its supporters on the Education Committee, would change state law so a municipal legislative body could adopt an ordinance that allows municipal resources to be used to reimburse some or all of a parent's tuition costs to otherwise non-qualifying schools. The primary interest as expressed at the bill's public hearing was to allow these funds to be used to subsidize tuition payments paid to schools with a religious orientation.

MMA's Legislative Policy Committee voted to oppose LD 250 for the

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LEGISLATIVE HEARINGS

NOTE: You should check your newspapers for Legal Notices as there may be changes in the hearing schedule. Weekly schedules and supplements are available at the Senate Office at the State House and the Legislature's web site at <http://www.state.me.us/legis/senate/Documents/hearing/ANPHFrame.htm>. If you wish to have updates to the Hearing Schedules e-mailed directly to you, sign up on the ANPH homepage listed above. Work Session schedules and hearing updates are available at the Legislative Information page at <http://www.state.me.us/legis/>.

Monday, May 16

Appropriations & Financial Affairs
Room 228, State House, 1:00 p.m.
Tel: 287-1316

LD 830 – An Act To Establish a Debt Limit for the State.

LD 1153 – An Act To Regulate the Bonded Indebtedness of the State.

Tuesday, May 17

Agriculture, Conservation & Forestry
Room 206, Cross State Office Building, 1:00 p.m.
Tel: 287-1312

LD 17 – An Act To Reform the Land Use and Planning Authority within the Unorganized Territories of the State.

LD 1258 – An Act To Improve Land Use Planning and Permitting in Unorganized Territories.

LD 1534 – An Act To Reform the Land Use and Planning Authority in the Unorganized Territories.

Judiciary
Room 438, State House, 1:30 p.m.
Tel: 287-1327

LD 1531 – An Act To Amend the Maine Human Rights Act Regarding Accessible Building Standards.

Friday, May 20

Environment & Natural Resources
Room 214, Cross State Office Building, 10:00 a.m.
Tel: 287-4149

LD 1567 – Resolve, To Authorize the State To Purchase a Landfill in the Town of East Millinocket.

Ed Committee (cont'd)

primary reason that the towns and cities are having a hard enough time financing their public school systems with property tax dollars. There is no quarrel if parents wish to send their children to other schools, but municipal officials do not support an authority that could siphon away the limited municipal financial capacity from its concentrated focus on the public school financing obligation. There certainly could have been other reasons for the members of MMA's Policy Committee's to oppose LD 250. The current restriction on public funding supports a "separation

of Church and State" principle that rings true to many. Others could have been concerned about potentially shipping public funds to support schools systems over which there is little to no public influence.

However, the primary concern was fiscal capacity. As one Education Committee member pointed out, when a student goes to a private school, the public school system supported by the municipality already loses the state subsidy support that would attached to that student. Adding to that loss a tuition subsidy for the private education paid

entirely by the local property taxpayers would stretch the thin budget that much further.

On Monday this week the Education Committee voted that LD 250 "ought not to pass" by 7-6 vote.

On Thursday this week the Committee reconsidered its action and is now registering an 8-4 "ought not to pass" recommendation.

The fate of LD 250 will be decided by the full Legislature over the next couple of weeks. Municipal officials with interest in this legislation should contact their legislators.