

Appropriations Subcommittee's School Consolidation Plan

The next stage in the development of a school consolidation plan to be presented to the Legislature as part of the proposed state budget (LD 499) is nearly completed.

The plan was developed by a subcommittee of the Appropriations Committee, which presented its work product to the full Appropriations Committee on Monday this week.

The subcommittee's plan is very similar in both structure and approach to Governor Baldacci's original school consolidation plan. Under the Governor's original plan, there would be only 26 school districts in the state a year from now. Under the subcommittee's plan there would be 80.

Anyone interested in obtaining the text of the subcommittee's proposal should contact MMA's Laura Veilleux at 1-800-452-8786 or lveilleux@memunorg.

Remembering Abby

State Representative Abigail Holman (District 83, Fayette) died tragically in a skiing accident on Saturday, April 7th. Abby also served on the Fayette Board of Selectmen.

Maine Municipal Association joins the hundreds of state and local government officials and workers in sending our condolences to her family and friends. Abby was a dedicated and tireless government official with a long history of commitment to her community and state.

Her tragic death is a terrible loss.

Here are the details:

Abolish most existing school systems and school boards. As was the case with the Governor's original plan, the text of the subcommittee's plan begins by abolishing nearly all existing school boards and school systems. The school boards and school systems that might escape being abolished are the 20 school systems that serve more than 2,500 students, but even their fate is not entirely certain. According to the plan, the last day of existence for the existing school boards and school systems is June 30, 2008. All school unions and Community School Districts, regardless of how many students they serve, would be abolished. As of July 1, 2008, all the school systems in Maine must have a single board of directors and must be called Regional School Units.

No local vote. Like the Governor's original plan, the subcommittee's version begins by abolishing most school systems as of July 1, 2008 and then attempts to create the process of reconstructing new school districts between now and then. At no time under the subcommittee's proposal will the voters within the newly created school systems be allowed a vote to ratify the creation of the new local school government they will be compelled thereafter to support.

A clear legislative prejudice can be discerned on this point. Key legislators in this process describe any local vote in the negative, as an "opt-out" vote. A local vote is more accurately described positively, as a vote of ratification. Until now, whenever new local governments have been created, there has always been

a vote of ratification.

The stated reason for foregoing any local ratification process is that the state would not be able to "book" the financial savings associated with consolidation that will purportedly be created in FY 09 because local voting creates uncertainty. A trade-off is created between state budget writing protocols and the rights of local voters to ratify the creation of entirely new local governments. Under the subcommittee's plan, the budgeting protocols trump local voting rights.

Reconstruction process. The school system reconstruction plan in the subcommittee's proposal is not easily described.

■ Department of Education

(continued on page 2)

Where's GPA? *Flattening the Ramp to 55%*

The distribution of General Purpose Aid to Education (GPA) for the upcoming school year (FY 08) has been up in the air for several weeks.

Generally, with some minor modifications one way or another, the FY 08 distribution was slated to be \$995 million. \$995 million is \$80 million more than the FY 07 distribution, representing an 8.9% increase. As will be explained below, the new proposal on the table will reduce that number by \$17 million.

The jump in subsidy from FY 07 to FY 08 represents the third installment of the four-year "ramp-up" to 55% state

(continued on page 5)

SCHOOL PLAN (cont'd)

Reconfigurations. Between now and June 1, the Department of Education would develop a school reorganization plan for the state. The so-called “parameters of reorganization” would be:

- No more than 80 school districts statewide
- With limited exceptions, each district would serve at least 2,500 students
- No teachers or students can be displaced for one year
- No schools can be closed for one year
- Despite the fact that all schools, students and teachers must remain in place, and despite the fact that all existing personnel and union contracts must be honored, the reorganization must result in:
 - A 5% reduction in special education expenditures
 - A 5% reduction in transportation costs
 - A 5% reduction in facilities and maintenance costs

■ **Are school systems with more than 2,500 students affected?** When the subcommittee presented its plan to the full Appropriations Committee, it was emphasized during that narrative that all school systems, even those serving more than 2,500 students, would be required to participate in some sort of consolidation. The proposed statutory language, however, is not clear on that point. In fact, the “parameters” language suggests that Maine’s 20 largest school systems could rely on their size in such a way that the “consolidation” plan they would be required to submit need only show how they will meet the 5% reduced-costs re-

quirement with respect to special education, transportation and facilities-and-maintenance. Those school systems would not otherwise have to change.

■ **Creation and Role of the Reorganization Planning Committee?** The subcommittee’s plan directs the Commissioner of the Department of Education to “provide guidelines” for the formation of Reorganization Planning Committees, which are to include representatives of the school systems, municipalities and members of the general public. The Department’s guidelines are to include the “*roles and responsibilities of the reorganization committees, timelines for submission of the plan, format for reporting the reorganization plan and evaluation criteria for approval of the plan.*”

Although it appears that the intention is to charge these Reorganization Planning Committees with the task of designing the reorganized school systems, neither those Committees nor the work of those Committees are mentioned again in the 44 pages of proposed new law. It is not clear when or how the reorganization planning committees would be created, or how their membership could be even formed until the new region is decided upon so their membership base could be determined. Nor is it clear what role or authority the planning committees would have vis a vis the role of the existing school boards in their final year.

As will be noted immediately below, the responsibilities for submitting various intentions and plans to the Department of Education falls on the existing school administrative units, which means their elected school boards. The only thing that is certain is that the Reorganization Planning Committees can’t be elected to that position, because there is no time for that.

■ **Existing School Boards Responsibilities – Phase I.** Between June 1 and July 31 of this year, the existing school boards must determine what reconfigured school system they want to belong to, and submit that intention in writing to the Department of Education. If various school boards not contained within a Department of Education configuration are somehow able within that 60-day window to develop an alternative reconfiguration not proposed by the

Department (an alternative configuration that would, by definition, upset all the other contiguous, Department-prescribed reconfigurations), that alternative plan would have to meet all the “parameters” and be approved by the Department. In any event, all submissions of “intent to reconfigure” would be finally approved or disapproved by the Department by August 15.

■ **Existing School Boards Responsibilities – Phase II.** Between August 15 and November 15, the school boards would have to develop a full-scale consolidation plan for the intended new “regional school unit”. The plan includes:

- The merging school systems
- The size, composition and appointment of the school board
- Method of voting of the school board
- The disposition of real and personal school property
- The disposition of existing debt
- The assignment of all personnel, labor and other contracts
- The disposition of existing school funds
- A plan for the development of the FY 09 budget
- Proof that public hearings were actually held to review the consolidation plan

That fully developed plan must be submitted to the Department of Education for approval by November 15th. A quick game of ping-pong is built into the law for disapproved plans to be quickly patched-up and resubmitted, but by December 31st, a plan for each new regional school unit must be approved by the Department.

■ **Role of the State Board of Education.** The State Board of Education has two roles: (1) After the Department of Education approves the consolidation plan, the State Board of Education certifies the existence of each new school district. As stated above, the local voters never cast a ballot as to whether they support the creation of this new local government. The State Board of Education does that on the voters’ behalf. (2) The State Board is also authorized to unilaterally merge any noncompliant school system into a regional school unit. A school system would be

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noncompliant by either not submitting a plan within the required timeframe or submitting a plan that is not approved by the Department of Education. Under this plan, all newly created school administrative units will be certified into existence by the State Board of Education no later than January 15, 2008.

■ **Mandatory budget adoption process.** As was the case with the Governor's original plan, the subcommittee's plan calls for all school systems to adopt their budgets in accordance with the so-called "budget validation" process. The "budget validation" process was enacted in 2000 as a process that school communities could adopt if they wished. It provided some local-control to the voters in school districts. In the Governor's original proposal and now in the subcommittee's plan, it is being mandated.

The way the budget validation process works, all school budgets would have to be formatted in a certain way, separated according to prescribed cost-center categories such as "instruction", "instructional support", "leadership" (a.k.a., administration), "operations", "transportation", "special education", etc.

In the first step of the process, the school budget is presented to the voters in an open meeting. After debate and discussion in the town-meeting format, a school budget of some kind is ultimately adopted. (Apparently, in the non-regionalized municipal school systems with more than 2,500 students that have a city council as the legislative body, the city council would act as the open town meeting.)

In all school systems, however, whether big city or rural school districts, no more than 10 working days after that open meeting, the budget must be ratified through a required referendum process. Each town or city will have to conduct a school budget referendum, with a ballot reading something to the effect of: "Do you favor approving the school budget that was adopted at the open (or city council) meeting on such-and-such a day?"

The voters in no individual municipality within the region would have a veto on the budget, but if a majority of the voters within the entire regional

school unit voted the budget down, the school board would have to re-present a budget to the open meeting and then schedule another referendum vote, and so forth until a budget is ultimately adopted at referendum.

There seems to be an intense interest by both the Governor's Office and a certain group of legislators to mandate referendum voting for all school budgets, regardless of the voting procedures that people have adopted on the local level. As everyone knows, the voters are already empowered to require referendum voting on all school budgets, and about 50% of the SADs and a dozen school budgets at the municipal level are adopted that way, but under the plan adopted by the Appropriations subcommittee, any local decision-making about that process would be preempted.

■ **Assets relinquished, debt retained.** And as also was the case with the Governor's original proposal, the subcommittee's plan would empower the newly created regional school units to take whatever existing school property the new school boards felt was necessary to fulfill their mission, and the municipal officers or expiring school boards (i.e., the legal stewards of the public property) would be compelled to sign away their community's interests in that property. The new directors of the regional school units, however, would not be obligated to accept any of the underlying debt service associated with the school property unless that debt was to be 100% reimbursed by the state for "state supported" construction. So-called "local-only" debt could be left with the local municipality or the expired school system even after the school property is taken by the larger region. The apparent background for this "we'll take the house, but you keep the mortgage" system is that the bond holders require the original providers of "full faith and credit" to remain on the hook unless and until the borrowed capital is expressly refinanced and the debt obligations pledged to a different entity.

■ **Remainder issues.** There are numerous other issues embedded within the 44 pages of law being proposed by the subcommittee, including:

• **Establishing the new school board.** As also provided in the Governor's

original plan, the subcommittee's proposal mandates a "joint meeting of all the municipalities within the regional school unit" to determine the size of the new school board and, apparently, to determine how those new school board directors will be elected – either (1) at large, or (2) by evenly populated voting districts, or (3) by individual municipality but with population-weighted votes. The structural protocols and decision making process associated with a "joint meeting of the municipalities" is left to the imagination.

• **Minimum mill rate expectation.** The subcommittee's draft requires any municipality with no students to financially participate in the regional school unit of which it is a part with a financial contribution equal to 2 mills of effort. The first establishment of a so-called "minimum mill rate expectation".

• **Cost sharing.** The cost-sharing arrangement among the municipalities participating in a school district with respect to the required local financial contribution is already dictated by state law, but the required cost-sharing of each municipality's contribution over-and-above the required local share is up to the participating communities to negotiate. The subcommittee's plan would require the apportionment of the local share that is being contributed above the EPS model be cost-shared in the same apportionment as the required local share contributions are apportioned unless the participating municipalities' contributions are otherwise governed by a private and special act of the Legislature.

• **Advisory councils.** As also provided in the Governor's original plan, the subcommittee's plan authorizes the school boards of the new regional school units to create citizen "advisory councils" to provide advice to the regional school unit's board of directors. The authorization of the advisory councils is an apparent attempt to address the complaint that larger school districts will dilute the impact of local, community-based input into the regional decision making system; that regional boards could run roughshod over the interests of smaller participating municipalities. No legislative authority is required, however, to permit a school board to create an advisory council.

Telecommunications Property Falls to the State

In early March a letter was sent to all municipal tax assessors by Maine Revenue Services informing them that MRS was going to step-up its assessment of “two-way” telecommunications personal property.

This will result in a loss of personal property tax base during the upcoming tax year for all municipalities that are currently assessing cable television personal property that is associated with any “two-way” service, such as Internet or telephone services. Since most if not all cable television companies now offer Internet services, most municipalities served by cable t.v. will be losing some of their tax base, which the State will be picking up.

The fiscal impact of this shift of tax base from the local to state level has not been documented. Maine Revenue Services believes the state will be picking up approximately \$1 million in revenue. The state applies a fixed rate of 23 mills on all telecommunications property, which suggests that cable companies currently own approximately \$44 million worth of “two-way” personal property that has, up to now at least, been assessed by the municipalities and will now roll over to the state’s jurisdiction.

It is our understanding that there are three possible types of personal property in the current municipal tax jurisdiction that will be going over to the state: (1) poles, where the cable television company is the owner; (2) all cable t.v. wiring; and (3) the on-the-ground switching equipment related to Internet or telephone services.

There may well remain some on-the-ground personal property that is exclusively related to television transmission, and that personal property will remain in the municipality’s tax jurisdiction.

The recommendation, accordingly, is for the municipal assessors to send out a so-called “706” information request to their cable television companies, which is a reference to the section of statute (36 MRSA §706) that authorizes formal informational inquiries in order to deter-

mine a property owner’s taxable estate. The 706-inquiry should ask for all the pertinent information about all of the company’s personal property that is not “telecommunications” personal property

as defined by 36 MRSA §457(1)(B).

Maine Revenue Services is also sending its equivalent of a “706” inquiry to all telecommunications providers as well. Municipal assessors should ask their cable television companies to provide to the municipality their response to Maine Revenue Services’ request to ensure that no taxable property is falling between the jurisdictional cracks.

Sustainable Transportation Funding

On Friday last week, the Transportation Committee held a public hearing on LD 1790, *An Act to Secure Maine’s Transportation Future*. The bill, sponsored by Sen. Dennis Damon (Hancock Cty.) and initiated by the Maine Better Transportation Association (MBTA), proposes to secure non-Highway Fund revenues for the purpose of funding capital improvements to Maine’s road and bridge network. The end goal is to forge a state-municipal partnership to get the state’s infrastructure system into a manageable condition by 2027.

In order to meet this goal, LD 1790 in its printed form proposes to funnel state sales and municipal excise tax revenue into special Maine Municipal Bond Bank accounts. 80% of the state and local funds set aside in the Bond Bank would be used to finance state-aid highway reconstruction projects, while 20% of the revenues would be available to fund transit programs.

As proposed, 20% of the state sales tax revenues from automobile and auto parts would be annually transferred from the state’s General Fund to the Bond Bank and used to match municipal funds. The 20% sales tax revenue shift would be incrementally implemented over a five-year period, starting with a 4% revenue shift in 2008 and increasing by 4% annually until reaching the 20% target in 2011.

As originally crafted, the municipal share of the partnership program would have come from a portion (20%) of the excise tax revenue generated by the 36 urban compact municipalities (i.e., mu-

nicipalities with populations greater than 7,500). Those dedicated excise tax revenues would be made available to fund capital improvements to the state and local roads located in those communities. The excise tax revenues would have been matched dollar-for-dollar with state resources and set aside in a Bond Bank account in the name of the contributing community. Municipalities with populations between 2,500 and 7,499 would have been authorized to voluntarily participate in the program.

At the public hearing on LD 1790, former Commissioner of the Department of Transportation John Melrose, speaking on behalf of MBTA, presented an amendment replacing the excise tax proposal. In response to the municipal opposition to the plan, as well as its limited regional investment impact, the amendment proposes to restructure the rural element of existing local road assistance program, known as Urban/Rural Initiative Program (URIP). The rural element of the program, which currently reimburses municipalities \$600 per lane mile for local roads, would be replaced with the State-Municipal Assistance Program. (The formulas used to reimburse municipalities for summer and winter maintenance responsibilities on state roads located in the urban compact areas would be unchanged.) Under the State-Municipal Assistance Program, the distribution formula would reimburse municipalities \$2,535 per lane mile for state aid roads only. All funds distributed under

(continued on page 5)

FUNDING (cont'd)

the new state aid program would be eligible for a dollar-for-dollar state match funded by the sales tax revenues and secured in a Bond Bank account in the name of the community.

By a vote of the local legislative body, the funds in the account could be expended in the following manner:

1. State Aid Roads - All of the funds in the Bond Bank account, both the municipal and state contributions, could be used to fund capital improvements to state aid major and minor collector roads. In addition to the funds in the account, municipalities would receive an additional 66% state match for repairs made to a major collector road and an additional 33% state match for repairs made to a minor collector road. If a municipality agreed to reclassify an existing minor collector road to a local road, the state would fund 100% of the cost associated with improving the road to a community-determined standard.

2. Local Roads - The municipal share of the funds in the Bond Bank account could be used to fund capital improvements to local roads. In order to fund local projects, the legislative body would be required to affirmatively vote that the state aid roads in the community did not need capital improvements and waive the right to the state funding in the Bond Bank account.

3. Reserve - If the local legislative body does not affirmatively vote to repair a state aid or local road, then the municipal and state funds are left in a reserve account until the voters decide how to spend the revenues.

Many transportation based industry representatives, including Associated Constructors of Maine, American Council of Engineering Companies, Maine State Chamber of Commerce, Maine Tourism Association, Maine Motor Transport Association and Maine Automobile Dealers Association provided testimony in support of LD 1790. The proponents generally supported the bill for three reasons: 1) it creates a long-term plan for improving Maine's transportation infrastructure; 2) it identifies sustainable sources of revenue (sales and excise tax) to achieve the infrastructure improvement goal; and 3) it safeguards

the capital improvement dollars by funneling the revenue into Maine Municipal Bond Bank accounts.

The Maine Service Center Coalition and the MMA both provided testimony "neither for nor against" the bill. While both groups are interested in exploring avenues for achieving long-term sustainable transportation funding, they are concerned about being rushed into making a decision on policy change of this magnitude. The MBTA State-Municipal Assistance Program amendment, for example, warrants further examination as it proposes to make two significant changes to existing state transportation funding policy.

First, by reimbursing municipalities on the basis of the number of state aid road miles, it would cause a redistribution of the local road assistance revenues among the municipalities. Communities without any state aid roads would no longer receive any state funding. According to the Department of Transportation, there are nearly 80 communities that do not have any state aid roads. A municipality-by-municipality impact analysis has not yet been generated.

Second, the amendment proposes to shift more responsibility for state aid roads onto municipalities. Under the existing system, municipalities are clearly responsible for local roads and the state is responsible for the state highways. However, there is a debate over who should be held responsible for maintaining the state aid roads, which act as the feeder system between local and state highways. The Department of Transportation has for years argued that municipalities should bear more responsibility for these roads. According to MBTA statistics, the state of Maine is responsible for maintaining 37% of the state aid road miles, while the state of New Hampshire maintains only 10% of these roads. The nationwide average is 25%. However, since Maine communities are currently responsible for maintaining 13,930 local road miles (61% of the total federal, state and local highway road miles in Maine), additional responsibilities may prove too burdensome.

Municipal officials will need time to digest the amendments and explore the impact of the proposal. Because LD 1790 is seeking to enact substantial pub-

lic policy changes, it only makes sense that the necessary time afforded to the interested parties to work on crafting an acceptable compromise.

On Tuesday of this week, the Transportation Committee held its first work session on LD 1790. The discussion focused on the general merits of the proposal rather than the details. The Committee plans to resume its discussion of the bill on Tuesday, April 17th.

GPA (cont'd)

funding, all of which was precipitated by the popular vote in June 2004 on Question 1A which directed the state to fund K-12 education at the 55% level.

The "ramp-up" method was created within the enactment of "LD 1" in January 2005. Ramping-up to 55% over a four-year period was a controversial alternative to implementing the 55% requirement more quickly.

In addition to being controversial, the "ramp" to 55% state funding is unfortunately complicated. A straightforward ramp would simply increase the state share of funding over the ramp up period until it reached 55%. Instead, something of a "double-helix" ramp was created, which is found at 20-A MRSA §15671-A.

In essence, the Legislature decided not only to ramp-up its percent contribution toward the EPS model over a four-year period, it also decided to simultaneously ramp-up the degree the state would recognize the full EPS model over that four-year period as well.

One component of that double ramp lays out the percent of the operating side of the Essential Programs and Services school funding model (EPS) that the State will recognize over the four-year ramp. For some reason, the state was not immediately willing to recognize the full measure of its own school funding model.

In the first year, the state school funding model only recognized 84% of the operating side of the model. In the second year, which is the current school year (FY 07), the state is recognizing 90% of the operating model. For next year the state is scheduled to recognize

(continued on page 6)

Shorebirds

The Natural Resources Committee took over six hours of testimony Tuesday on the issue of recently enacted rules regarding development near migratory shorebirds.

Several shorebirds such as the Black-bellied Plover, Semipalmated Sandpiper, Least Sandpiper, Short-billed Dowitcher, Ruddy Turnstone, Red Knot and Dunlin migrate from Canada to South America. Maine's coast is a stop-over for purposes of feeding or resting (roosting). Last session, the Legislature instructed the Department of Environmental Protection to adopt rules which would protect the feeding and roosting areas from development. Those rules are known as Chapter 335.

In 2006, the DEP adopted rules and began regulating activity close to these feeding and resting areas. The primary regulation was to limit development within 250 feet of identified shorebird roosting or feeding areas. This law significantly impacted Washington County.

Several bills addressing this topic were filed this session and heard this week: LD 258, *An Act to Amend the Laws Governing Setbacks under the Natural Resource Protection Laws*; LD 326, *An Act to Enhance Implementation of the Significant Wildlife Habitat Rules*, LD 1014, *An Act To Ensure Reasonable and Equitable Land Use Opportunities near Shorebird, Wading Bird and Waterfowl Habitat*, LD 1319, *An Act Relating to Previously Approved Small Coastal Subdivisions*, LD 1430, *An Act to Compensate Property Owners for Property Designated as a Significant Wildlife Habitat*, and LD 1477, *An Act Concerning the Natural Resources Protection Laws and Related Provisions*.

The key pieces of legislation are LD 1477 which is supported by the Department of Environmental Protection and LD 1014, which was sponsored by Sen. Kevin Raye (Washington Cty.) and co-sponsored by 17 other Senators and many Representatives.

The issues appear to be these:

(1) Establishing less restrictive setbacks for feeding areas (75-100 feet) than for roosting areas (150-250 feet)

(2) "Grandfathering" previously approved lots from the rules;

(3) Setback provisions for certain inland waterbodies;

(4) Exceptions for certain clamming or worming activities;

(5) Limits on the addition of more land to the current list of protected areas; and,

(6) New cutting standards (essentially prohibitions) for these areas as proposed in LD 1477.

Sen. Raye testified that he believes progress toward compromise has been reached on many of these issues. The work session is scheduled for the week of April 27th.

GPA (cont'd)

95% of the operating side of the model and finally, in FY 09, the state is scheduled to recognize a full 100% of the operating side of the EPS model.

The other component of the double ramp lays out the percentage of the overall EPS model (at least that percentage of the model that the state recognizes) that must be paid by the state. In the first year of the ramp, that percentage was 52.6% (of 84% of the model). For the current school year, which is the second year of the ramp, the state recognized 53.86% (of 90%) of the model. For next year (FY 08), the state is scheduled to recognize 54.44% of 95% of the EPS model, and finally, in FY 09, the state is scheduled to recognize the full 55% of the complete EPS model.

If that double-helix ramp configuration were to be honored for FY 08, the state share would be \$995 million of a \$2 billion state and local educational budget.

This is where a downward reprojected of state revenue steps in. A couple of weeks ago, the Revenue Forecasting Committee reduced the amount of state revenue it had previously projected for the upcoming fiscal year by \$21 million. The revenue panel made a similar reduction to the subsequent fiscal year as well.

As a result of the reprojected in revenue, the Governor submitted a series of recommended changes to his originally proposed state budget. One of those recommendations would adjust the double-helix ramp now found in statute. Instead of stepping-up the percentage

contribution to the (adjusted) EPS model from 53.86% to 54.44%, the law would be amended to keep the required percentage contribution at the 53.86% level.

In fact, in order to make all the pieces fit, the Governor's recommendation actually reduces the state's required share for FY 08 from 54.44% to 53.51%.

That change would save the state \$17 million next year.

According to the Department of Education, the flattening of the 55% ramp between FY 07 and FY 08 would be corrected in FY 09. At that time, the EPS model would be fully recognized and the state's share would be at the full 55% level.

Even if the state fulfills its 55% share by that time, the EPS model will likely be quite different by FY 09. As part of all the school consolidation changes that are being discussed, the EPS model will provide considerably less support for "system administration" (the superintendent's office), and at least 5% reductions in the special education, transportation, and facilities-and-maintenance components of the EPS model.

Additional changes to the EPS model. Also in the Governor's submitted changes to the proposed biennial budget is an additional \$5.4 million reduction in GPA for the subsequent fiscal year (FY 09). That reduction in GPA is the result of the EPS model being amended to cut out any recognition of co-curricular and extra-curricular school costs.

Extra-curricular costs are associated with after-school athletic programs. Co-curricular costs are associated with non-athletic after-school programs and competitions like the math club, drama club, etc.

The EPS model currently provides partial financial recognition for both types of enrichment programs. A school's extracurricular programs are supported at a 10%-of-statewide-average rate, and a school's co-curricular programs are supported at a 90%-of-statewide-average rate.

If the Governor's and Department of Education's recommendations in this area are adopted by the Legislature, the EPS model will provide no recognition for either co-curricular or extra-curricular programs. After next year, they will be supported totally on the local nickel.

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, April 16 - Holiday

Tuesday, April 17

Natural Resources

Room 214, Cross State Office Building, 8:30 a.m.

Tel: 287-4149

LD 1685 – Resolve, To Develop a Comprehensive Water Use Plan for Maine.

LD 1778 – An Act To Amend Certain Laws Administered by the Department of Environmental Protection.

Taxation

Room 127, State House, 10:00 a.m.

Tel: 287-1552

LD 1300 – An Act To Return a Portion of Sales, Lodging and Meals Taxes to Municipalities.

Wednesday, April 18

Labor

Room 220, Cross State Office Building, 10:00 p.m.

Tel: 287-1333

LD 1373 – An Act To Authorize the board of Trustees of the Maine State Retirement System to Provide a Cost-of-living Adjustment to Retired Employees of Participating Local Districts.

LD 1436 – Resolve, To Reduce the Level of Unfunded Liability for Health Benefits Owed to Retired State Employees.

LD 1492 – Resolution, Proposing an Amendment to the Constitution of Maine To Prohibit Incurring Any New Unfunded Liabilities for Retiree Health Benefits and To Require a 20-year Amortization of Public Retiree Benefits.

LD 1511 – Resolution, Proposing an Amendment to the Constitution of Maine To Dispose of Unfunded Liabilities in State Retiree Health Care Plans.

LD 1738 – An Act To Amend the Laws Relating to the Maine State Retirement System.

Legal & Veterans Affairs

Room 437, State House, 1:00 p.m.

Tel: 287-1310

LD 1761 – An Act To Amend the Election Laws.

LD 1522 – An Act To Modify the Citizen Initiative Process.

LD 1549 – An Act Concerning Voter Registration.

LD 1150 – An Act To Establish Random Audits of Voting Machines.

LD 1328 – Resolution, Proposing an Amendment to the Constitution of Maine To Limit the Frequency with which an Issue May Appear on the Ballot as a Result of a Direct Initiative.

Friday, April 20

Taxation

Room 127, State House, 10:00 p.m.

Tel: 287-1552

LD 760 – An Act To Reduce the Excise Tax on Certain Commercial Vehicles.

LD 789 – An Act To Decrease the Excise Tax Imposed on Motor Vehicles.

LD 893 – An Act To Exempt from Excise Tax Maine Military Personnel Who Are Serving Their Tours of Duty in Maine.

LD 1155 – An Act to Include Fuel Economy when Calculating the Excise Tax on Motor Vehicles.

LD 1342 – An Act To Enhance Energy Security by Requiring Greater Fuel Efficiency.

LD 1460 – An Act To Allow Maine Residents To More Fully Depreciate Their Motor Vehicles.

LD 1707 – An Act To Require Municipalities To Enforce the Collection of the State Excise Tax on Motor Vehicles, Watercraft and Certain Recreational Vehicles Owned by Maine Residents Registered Outside the State.

IN THE HOPPER

(The bill summaries are written by MMA staff and are not necessarily the bill's summary statement or an excerpt from that summary statement. During the course of the legislative session, many more bills of municipal interest will be printed than there is space in the *Legislative Bulletin* to describe. Our attempt is to provide a description of what would appear to be the bills of most significance to local government, but we would advise municipal officials to also review the comprehensive list of LDs of municipal interest that can be found on MMA's website, www.memun.org.)

Legal & Veterans Affairs

LD 1150 – An Act To Establish Random Audits of Voting Machines. (Sponsored by Rep. Pingree of North Haven; additional cosponsors.)

This bill requires automatic, random audits of voting machinery, conducted by volunteer teams of notaries trained by the Secretary of State, to determine the accuracy of the machine tabulation. Each year, on November 11, .05% of all voting machines in the state chosen by

a lottery system would be selected for these audits.

LD 1549 – An Act Concerning Voter Registration. (Sponsored by Rep. Fitts of Pittsfield; additional cosponsors.)

This bill prohibits a person from voting who registers to vote within five days of the election.

LD 1761 – An Act To Amend the Election Laws. (Sponsored by Rep. Patrick of Rumford; additional cosponsors.)

This bill makes numerous changes to Maine's election laws. Among the changes most relevant to municipal election clerks, this bill: (1) clarifies who is ineligible to serve as registrar of voters; (2) specifies that a person loses a voting residence when that person registers to vote in another state; (3) clarifies the requirements for change of enrollment, including the restrictions during the 15-day period until the change becomes effective; (4) clarifies the Secretary of State's authority to determine the format of all instructional election materials; (5) clarifies that the requirements for providing test ballots apply to other voting devices, such as the accessible

voting system; (6) clarifies that the minimum requirement to allow one pollwatcher from each of the qualified parties applies to each segment of the incoming voting list if the municipality divides the list by voting district or by the alphabetic listing of the voters' names; (7) clarifies the requirements for the accessible voting system and prohibits the municipality from using the accessible voting system for purposes other than voting; (8) clarifies the process for establishing and consolidating voting places, as distinct from the process of establishing or consolidating voting districts; (9) clarifies the process for facilitating a voter's use of the accessible voting system; (10) clarifies how a voter may receive assistance from another person in voting; (11) clarifies the process for an election official to challenge a voter as well as the process for the registrar to resolve the status of challenged voters after the election; (12) eliminates the use of stickers for write-in candidates at a primary election; and (13) restricts absentee voting on the day before election day and on election day to ballots requested in writing and issued for voting outside the presence of the clerk, and further provides that a clerk does not have to issue a ballot by mail if the request is received on election day or on the day before election day if the voter is outside the municipality.

Taxation

LD 893 – An Act To Exempt from Excise Tax Maine Military Personnel Who Are Serving Their Tours of Duty in Maine. (Sponsored by Rep. Flood of Winthrop; additional cosponsors.)

Under the federal Servicemembers Civil Relief Act of 2003, a nonresident member of the United States Armed Forces is exempt from the excise tax imposed on motor vehicles. This bill extends that exemption from the payment of excise tax on motor vehicles to all members of the United States Armed Forces, regardless of their state of residency, who are permanently stationed at a military or naval post, station or base in Maine.

LD 1300 – An Act To Return a Portion of Sales, Lodging and Meals Taxes to Municipalities. (Sponsored by Rep. Chase of Wells; additional cosponsors.)

This bill requires the Treasurer to return to all qualifying municipalities a certain amount of the meals and lodging tax revenues generated in those municipalities. The amount to be distributed is 10% of the difference between the amount generated within that municipality in 2006 and the amount generated in 2007, provided that difference is positive. The distribution cannot be used to offset any other state subsidy to the municipalities and must be used by the municipality for property tax relief.

LD 1342 – An Act To Enhance Energy Security by Requiring Greater Fuel Efficiency. (Sponsored by Rep. Hinck of Portland; additional cosponsors.)

This bill exempts certain fuel efficient rental vehicles from both the registration fee and motor vehicle excise tax.

LD 1460 – An Act To Allow Maine Residents To More Fully Depreciate Their Motor Vehicles. (Sponsored by Sen. Nutting of Androscoggin Cty; additional cosponsor.)

This bill amends the motor vehicle excise tax rate schedule by lowering the rate on all automobiles in their first three years of registration and increasing the rate on all automobiles in their fifth, sixth and seventh year of registration.

LD 1707 – An Act To Require Municipalities To Enforce the Collection of the State Excise Tax on Motor Vehicles, Watercraft and Certain Recreational Vehicles Owned by Maine Residents Registered Outside the State. (Sponsored by Rep. Wheeler of Kittery; additional cosponsors.)

This bill mandates municipalities to enforce the motor vehicle, aircraft, and watercraft excise tax laws with respect to residents who avoid these excise taxes by registering their motor vehicles, aircraft or watercraft out of state.