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State of Maine  
ONE HUNDRED AND TWENTY-FIFTH LEGISLATURE  
COMMITTEE ON EDUCATION AND CULTURAL AFFAIRS

March 27, 2012

MEMO TO: Senator Richard W. Rosen, Senate Chair,  
Representative Patrick S. A. Flood, House Chair, and  
Members of the Joint Standing Committee on Appropriations & Financial Affairs

FROM: Senator Brian D. Langley, Senate Chair, *B. Langley*  
Representative David E. Richardson, House Chair, and *D. Richardson*  
Members of the Joint Standing Committee on Education & Cultural Affairs

SUBJ: **Education & Cultural Affairs Committee Report on LD 1903, (FY2012-2013 Supplemental Budget Bill)**

The Education & Cultural Affairs Committee is pleased to submit our recommendations related to the Governor's proposals in the FY 2012 & FY 2013 supplemental budget bill (LD 1903). The Education & Cultural Affairs Committee voted to unanimously support the passage of all but 10 of the initiatives as presented in LD 1903. Our recommendations are summarized in the attached Education & Cultural Affairs "Report Back" worksheet.

The narrative that follows presents a brief summary of the Education & Cultural Affairs Committee votes that did not support the Governor's proposals or that resulted in divided reports. We have also attached proposed amendments to the following "language" parts in LD 1903:

- **Part C** (minority report) related to the General Purpose Aid for Local Schools program in fiscal year 2012-13;
- **Part OO** (minority report) related to funding and the delivery of services through the Child Development Services System; and
- **Part FFF** (majority report) related to funding and governance of the Maine Public Broadcasting System.

We thank you for your consideration of our supplemental budget recommendations. Please do not hesitate to contact us should you have any questions regarding our report.

Enclosure: LD 1903 "Report Back" Recommendation and Voting Worksheet

## **Education & Cultural Affairs Committee Recommendations LD 1903 (FY 2012 & FY 2013 Supplemental Budget)**

The Education & Cultural Affairs Committee unanimously recommends adoption of all of the initiatives in LD 1903, except for the following initiatives.

**1. Maine Community College System (A-14).** The Education & Cultural Affairs Committee unanimously opposes the initiative that proposes to deappropriate \$544,408 from the Maine Community College System.

**2. Maine Maritime Academy (A-88).** The Education & Cultural Affairs Committee unanimously opposes the initiative that proposes to deappropriate \$86,117 from the Maine Maritime Academy.

**3. Maine Public Broadcasting Corporation (A-89).** The Education & Cultural Affairs Committee unanimously opposes the initiative that proposes to deappropriate \$1,707,709 from the Maine Public Broadcasting Corporation.

**4. University of Maine System (A-98).** The Education & Cultural Affairs Committee unanimously opposes the initiative that proposes to deappropriate \$1,785,305 from the University of Maine System.

The Education & Cultural Affairs Committee deliberations on the “language” initiatives included in LD 1903 resulted in the following divided reports.

### **5. Part C, General Purpose Aid for Local Schools (GPA) (L-1 to L-10).**

A **6-member “majority”** of the Education & Cultural Affairs Committee supports the Part C initiatives related to funding for the General Purpose Aid for Local Schools (GPA) program in fiscal year 2012-13.

A **5-member “minority”** accepts the Part C initiatives, except they recommend the following changes to Part C:

- Strike Sec. C-11 that authorizes the Commissioner of Education to expend funds allocated to the Fund for the Efficient Delivery of Educational Services; and
- Amend Sec. C-13 that provides for a “proportional share” reduction in the amount of “local share” revenues that municipalities must raise under the Essential Programs and Services Funding Act when the State does not fund the 55% “state share” required by law. The amendment would phase-out the “proportional share” reduction over a 3-year period from fiscal year 2013-14 to fiscal year 2015-16 (please see amendment language attached).

**6. Part D, Sec. D-2, Department of Education Leadership Team (L-11).**

A **6-member “majority”** of the Education & Cultural Affairs Committee supports the Part D initiative related to designating 3 Department of Education positions as “major policy-influencing positions.

A **5-member “minority”** of the Education & Cultural Affairs Committee opposes this initiative.

**7. Part G, Transfer Department of Education funds to State Charter School Commission (L-16).**

A **6-member “majority”** of the Education & Cultural Affairs Committee supports the Part G initiative that would transfer up to \$150,000 in Department of Education funds to support the State Charter School Commission in fiscal years 2011-12 and 2012-13.

A **5-member “minority”** of the Education & Cultural Affairs Committee opposes this initiative.

**8. Part H, Transfer GPA for Local Schools unencumbered lapsed balances to General Fund (L-17).**

A **6-member “majority”** of the Education & Cultural Affairs Committee opposes the Part H initiative that would transfer \$7,009,774 in unencumbered lapsed balances from the GPA for Local Schools program to the General Fund by June 30, 2012.

A **5-member “minority”** of the Education & Cultural Affairs Committee supports this initiative.

**9. Part OO, Funding and Delivery of Services through the Child Development Services System (CDS) (L-141 to L-147).**

A **6-member “majority”** of the Education & Cultural Affairs Committee supports the statutory changes related to funding and the delivery of services through the CDS System.

A **5-member “minority”** of the Education & Cultural Affairs Committee opposes this initiative and proposes to strike and replace the CDS statutory changes with an amendment to add unallocated language that directs the Department of Education to report to the Appropriations Committee and the Education Committee on recommended changes to the CDS following the completion of the OPEGA program review of the CDS System that is expected to be transmitted to the Government Oversight Committee in May 2012 (please see amendment language attached).

**10. Part FFF, Funding and Governance of the Maine Public Broadcasting Corporation (MPBC) (L-171).**

A 7-member “**majority**” of the Education & Cultural Affairs Committee supports the Part FFF language related to funding for the MPBC. However, the majority report also includes an amendment to the composition of the Board of Trustees. The amendment would allow for four (4) additional public trustees to be appointed to the MPBC board (please see amendment language attached).

A 3-member “**minority**” opposes the Part FFF initiative.

**LD 1903 - EDUCATION & CULTURAL AFFAIRS "REPORT BACK"  
FY 2011-12 & FY 2012-13 SUPPLEMENTAL BUDGET**

Page #	Part A: Approps & Allocations (Acct #)	EDU Recommendation & Vote
A-13	State Charter School Commission (Z137)	"In" Vote: 11-0
A-14	Maine Community College System (0556)	"Out" Vote: 11-0 (GF) "In" Vote: 11-0 (OSR)
A-28	Department of Education • CDS (0449) and GPA for Local Schools (0308)	"In" Vote: 11-0
A-29	• Leadership Team (Z077)	"In" Vote: 11-0
A-29	• Maine Community Services (Z134)	"In" Vote: 11-0
A-30	• PK-20, Adult Ed, Federal Programs (Z081)	"In" Vote: 11-0
A-30	• School Finance and Operations (Z078)	"In" Vote: 11-0
A-88	Maine Maritime Academy (0035)	"Out" Vote: 11-0
A-89	Maine Public Broadcasting Corporation (0033)	"Out" Vote: 11-0
A-98	University of Maine System (0031)	"Out" Vote: 11-0 (GF)
A-98	University of Maine Scholarship Fund (Z011)	"In" Vote: 11-0 (OSR)
Page #	Language Parts	EDU Recommendation & Vote
L-1 to L-10	<b>Part C:</b> Department of Education, GPA for Local Schools for FY 2012-13	"In" Vote: 6-5 Majority Report = "In" Minority Report = "In as Amended" by striking Sec. C-11 and amending Sec. C-13 (see narrative)
L-11 to L-12	<b>Part D, Sec. D-2:</b> Department of Education, designate 3 Leadership Team positions as "major policy-influencing positions"	"In" Vote: 6-5 Majority Report = "In" Minority Report = "Out"
L-14	<b>Part E:</b> Municipal school units authorized to commit property taxes	"In" Vote: 11-0
L-15	<b>Part F:</b> Bus Refurbishing Program	"In" Vote: 10-0
L-16	<b>Part G:</b> Transfer Department of Education funds to State Charter School Commission	"In" Vote: 6-5
L-17	<b>Part H:</b> GPA for Local Schools unencumbered lapsed balances transferred to GF	"Out" Vote: 6-5
L-126 to L-127	<b>Part LL:</b> Maine Commission for Community Service administrative support	"In" Vote: 6-5
L-141 to L-147	<b>Part OO:</b> Amends statutes related to state intermediate educational unit funding mechanism and delivery of CDS services to eligible children from birth to under 6 years of age	"In" Vote: 6-5 Majority Report = "In" Minority Report = "In as Amended" by striking & replacing with unallocated language (see narrative)
L-171	<b>Part FFF:</b> Statewide broadcast annual appropriation for the Maine Public Broadcasting Corporation (MPBC)	"In as Amended" Vote: 7-3 Majority Report = "In as Amended" by adding 4 MPBC trustees (see narrative) Minority Report = "Out"

**Unallocated Language to replace OO:**

The commissioner or the commissioner's designee will report to the Joint Standing Committees on Appropriations and Financial Affairs and the Educational and Cultural Affairs the status of the centralized system for statewide fiscal administration implemented by September 1, 2006 (20-A MRSA §7209(3) (C)). The report will include a description of the internal controls and implementing policies and procedures established in accordance with standards set forth by the State Controller as required in that same section of Title 20-A.

Since the summer of 2011, the staff of the Office of Program Evaluation and Government Accountability has been reviewing Child Development Services. It is projected that its report will be available in May of 2012.

The scope questions approved by the Legislative Government Oversight Committee for this review include:

1. What processes and controls does CDS use to manage and contain program costs when establishing plans and providing services to children? Are they sufficient to assure that services are reasonable and necessary to produce the desired outcome, and that related billings are accurate and appropriate? Do they assure CDS human and financial resources are utilized efficiently and productively, and that costs are otherwise minimized to the extent possible?
2. How much of the funding for CDS is expended on administrative costs versus direct delivery of services? What are the primary components of the costs for direct delivery of services? How do administrative and direct delivery costs compare among CDS sites? What are the reasons for any significant trends or differences in costs and do they suggest any opportunities to reduce costs?
3. What entities have a role in overseeing and managing the CDS program and what is each role? Which entities have responsibilities with regard to budget development and monitoring? How effectively does each carry out those responsibilities? Are there any gaps or overlaps/duplications in oversight or management that could negatively impact finances, or transparency and accountability?

This report will be used to determine any program reorganization for these important early intervention services.

### **Amendment to LD 1903**

Amend Part FFF by inserting a new section designated **Sec. FFF-2** to read:

**Sec. FFF-2. PL 1991, c. 848, §3, 2nd ¶** as amended by **PL 1997, c. 599** is further amended to read:

The transfer may occur only if the transferee corporation has a board of trustees that includes the chancellor of the University of Maine System; 3 members representing the Board of Trustees of the University of Maine System; the President of Bates College; the President of Bowdoin College; the President of Colby College; and not fewer than 8 nor more than ~~12~~ 16 public trustees elected by the board in the manner prescribed in the corporation's bylaws. The president of the transferee corporation is a nonvoting member of the board. By January 1, 1999, 2 additional public trustees must be appointed by the Governor, subject to review by the joint standing committee of the Legislature having jurisdiction over education matters and to confirmation by the Senate. By January 1, 1999, the board shall amend the Maine Public Broadcasting Corporation bylaws to reflect the method of appointment of public trustees described in this paragraph.

### **Summary**

This amendment adds a new section to Part FFF. The amendment provides that four (4) additional public trustees may be appointed to the Board of Trustees of the Maine Public Broadcasting Corporation.

### Amendment to LD 1903

Amend Part C by striking Sec. C-11 from the bill as follows:

**Sec. C-11. 20-A MRSA §15689-A, sub-§§21 and 22** are enacted to read:

~~**21. Fund for the Efficient Delivery of Educational Services.** The commissioner may expend and disburse funds from the Fund for Efficient Delivery of Educational Services in accordance with the provisions of chapter 114-A.~~

Amend Part C by amending Sec. C-12 to read as follows:

**Sec. C-12. 20-A MRSA §15690, sub-§1, ¶D**, as enacted by PL 2009, c. 571, Pt. E, §25, is amended to read:

D. Beginning in fiscal year 2010-11, in any fiscal year in which the sum of the State's contribution toward the cost of the components of essential programs and services, exclusive of federal funds that are provided and accounted for in the cost of the components of essential programs and services, plus any federal stimulus funds applied to the State's contribution, falls below the State's target of 55% of the cost of the components of essential programs and services, the commissioner shall calculate the percentage of the State's 55% share that is funded by state appropriations and federal stimulus funds and, notwithstanding any other provision of this paragraph, a school administrative unit that raises at least the same percentage of its required local contribution to the total cost of funding public education from kindergarten to grade 12, including state-funded debt service, as the State's contribution plus federal stimulus funds toward its 55% share of the cost of the components of essential programs and services may not have the amount of its state subsidy limited or reduced under paragraph C. Beginning in fiscal year 2013-14 and ending in fiscal year 2015-16, the proportional share reduction calculated by the commissioner under this paragraph shall be phased-out. For each fiscal year during this 3-year period, the commissioner must calculate an amount equivalent to an additional 33% increase in the proportional amount that a school administrative unit would otherwise be required to raise to provide the same percentage of its required local contribution to the total cost of funding public education from kindergarten to grade 12 as the percentage of the State's contribution is for that fiscal year.

This paragraph is repealed June 30, ~~2012~~ 2013 2016.

### Summary

This amendment provides for a “proportional share” reduction in the amount of “local share” revenues that municipalities must raise under the Essential Programs and Services Funding Act when the State does not fund the 55% “state share” required by law. The amendment would phase-out the “proportional share” reduction over a 3-year period from fiscal year 2013-14 to fiscal year 2015-16