



129th MAINE LEGISLATURE

SECOND REGULAR SESSION-2020

Legislative Document

No. 2024

S.P. 714

In Senate, January 14, 2020

**An Act To Remove from the Calculation of the Cost of Education
the Maine Public Employees Retirement System Teacher Plan
Unfunded Actuarial Liability**

(AFTER DEADLINE)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 205.

Reference to the Committee on Education and Cultural Affairs suggested and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator MILLETT of Cumberland.

Cosponsored by Representative KORNFIELD of Bangor and

Senators: BREEN of Cumberland, President JACKSON of Aroostook, Representatives: BRENNAN of Portland, DODGE of Belfast, FARNSWORTH of Portland, INGWERSEN of Arundel, McCREA of Fort Fairfield.

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

2 **Sec. 1. 20-A MRSA §5806, sub-§2**, as repealed and replaced by PL 2013, c. 497,
3 §1, is amended to read:

4 **2. Maximum allowable tuition.** The maximum allowable tuition charged to a
5 school administrative unit by a private school is the rate established under subsection 1 or
6 the state average per public secondary student cost as adjusted, whichever is lower, plus
7 an insured value factor. The insured value factor is computed by dividing 5% of the
8 insured value of school buildings and equipment by the average number of pupils
9 enrolled in the school on October 1st and April 1st of the year immediately before the
10 school year for which the tuition charge is computed. From school year 2009-2010 to
11 school year 2013-2014, a school administrative unit is not required to pay an insured
12 value factor greater than 5% of the school's tuition rate or \$500 per student, whichever is
13 less, unless the legislative body of the school administrative unit votes to authorize its
14 school board to pay a higher insured value factor that is no greater than 10% of the
15 school's tuition rate per student. For the 2014-2015 school year, a school administrative
16 unit is not required to pay an insured value factor greater than 6% of the school's tuition
17 rate per student, unless the legislative body of the school administrative unit votes to
18 authorize its school board to pay a higher insured value factor that is no greater than 10%
19 of the school's tuition rate per student. Beginning in the 2015-2016 school year, a school
20 administrative unit is not required to pay an insured value factor greater than the amount
21 of the prior school year's insured value factor adjusted by a percentage equal to the
22 percentage change in the state share percentage of the total cost of funding public
23 education in the prior school year as determined by section 15671, subsection 7,
24 paragraph **€ B** as compared to the applicable percentage for the current school year. In
25 no case may the insured value factor be less than 6% or greater than 10% of the school's
26 tuition rate per student, unless the legislative body of the school administrative unit votes
27 to authorize its school board to pay an insured value factor that exceeds the amount
28 otherwise permitted by this subsection by no more than 5% of the school's tuition rate per
29 student. For the 2013-2014 school year only, the maximum allowable tuition charged to
30 a school administrative unit by a private school that participates in the Maine Public
31 Employees Retirement System must be increased above the amount otherwise permitted
32 under this section by an amount equal to the calculated normal cost of teacher retirement
33 for that school divided by the number of enrolled students as of October 1, 2012.

34 **Sec. 2. 20-A MRSA §15671, sub-§7, ¶C**, as amended by PL 2019, c. 343, Pt. C,
35 §2, is repealed.

36 **SUMMARY**

37 Current law provides a method of calculating the state share percentage of the total
38 cost of funding public education from kindergarten to grade 12 that includes the unfunded
39 actuarial liability of the Maine Public Employees Retirement System as it applies to
40 teachers. This bill repeals that provision of law.