



128th MAINE LEGISLATURE

LD 1484

LR 446(01)

An Act Authorizing the Deorganization of the Town of Atkinson

Preliminary Fiscal Impact Statement for Original Bill

Sponsor: Rep. Higgins of Dover-Foxcroft

Committee: State and Local Government

Fiscal Note Required: Yes

Preliminary Fiscal Impact Statement

Contingent future biennium cost increase - General Fund

Contingent future biennium savings - Education in the Unorganized Territories

Fiscal Detail and Notes

This bill will become effective only if approved by the voters of the Town of Atkinson at the next general election to be held in November. If approved, the deorganization of the Town of Atkinson would take effect on July 1, 2019.

This legislation will allow Atkinson, and all townships that deorganize on or after July 1, 2019, to contribute to the cost of education under the same state/local funding provisions as "organized" towns and municipalities. Under current law, 100% of the cost of education services for unorganized townships is borne by local taxpayers in all of the unorganized territory. The unorganized townships receive no state subsidy through the General Purpose Aid for Local Schools (GPA) program. This legislation will increase the total cost of K-12 public education under Essential Programs and Services, and the State's share of that cost, beginning in fiscal year 2019-20 and decrease the cost to the local taxpayers of unorganized townships.

Utilizing the preliminary state calculation for funding public education report (ED 279) prepared by the Department of Education for the 2018-2019 school year, the estimated total cost to provide education services to the Town of Atkinson if it were to deorganize would be \$327,693 and the state share would be \$172,000. The remaining balance of \$155,693 would be paid by the Division of State Schools - Education in the Unorganized Territories program in the Department of Education through General Fund appropriations. The General Fund would be fully reimbursed for these costs by higher collections made through the Municipal Cost Component program. It is important to note that the total cost of education for Atkinson if it were to deorganize would be higher than the estimate in the ED 279 report, as Atkinson would need to pay tuition and transportation costs which are likely to be higher than amounts used in the essential programs and services model.

Any additional costs incurred by Maine Revenue Services related to the deorganization of the Town of Atkinson can be absorbed within existing budgeted resources. The minor additional costs associated with the filing of certain election results can be absorbed by the Secretary of State utilizing existing budgeted resources. Any additional costs incurred by the Office of the State Auditor are expected to be minor and can be absorbed within existing budgeted resources.