

127th MAINE LEGISLATURE

FIRST REGULAR SESSION-2015

Legislative Document

No. 418

H.P. 285

House of Representatives, February 12, 2015

Resolve, To Study the Use of Social Impact Bonds as a Funding Mechanism for Public Education Programs in Maine

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

R(+ B. Hunt

ROBERT B. HUNT Clerk

Presented by Representative POULIOT of Augusta. Cosponsored by Senator LANGLEY of Hancock and Representatives: BROOKS of Lewiston, DOORE of Augusta, EDGECOMB of Fort Fairfield, FOWLE of Vassalboro, WHITE of Washburn.

1 Sec. 1. Education Research Institute to study use of social impact bonds 2 to fund extended learning programs and prekindergarten programs. 3 Resolved: That the Education Research Institute, as established in the Maine Revised 4 Statutes, Title 20-A, section 10, shall study the use of social impact bonds to fund extended learning programs and prekindergarten programs. For purposes of this resolve, 5 "social impact bond" means a performance-based bond that operates over a fixed period 6 of time and for which repayment to an investor is contingent upon a specific social 7 8 outcome being achieved and "extended learning program" means a program that creates 9 educational opportunities for students whose educational needs and abilities exceed those addressed by the general curriculum. A social impact bond generally involves a 10 11 government entity partnering with a service provider or outside investor that provides the financing for the project or service that is the object of the bond with the government 12 entity not being required to pay back the bond unless success is demonstrated by a 13 14 measurable outcome; and be it further

15 Sec. 2. Report. Resolved: That the Education Research Institute shall submit a 16 report with respect to the study under section 1 and any recommended legislation to the 17 Joint Standing Committee on Education and Cultural Affairs by December 2, 2015. The 18 Joint Standing Committee on Education and Cultural Affairs may report out a bill based 19 upon the report to the Second Regular Session of the 127th Legislature.

SUMMARY

This resolve requires the University of Maine System's Education Research Institute to study the use of social impact bonds to fund extended learning programs and prekindergarten programs. A social impact bond generally involves a government entity partnering with a service provider or outside investor that provides the financing for the project or service that is the object of the bond with the government entity not being required to pay back the bond unless success is demonstrated by a measurable outcome.

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