

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

Amend the bill by striking out the title and substituting the following:

**'An Act To Amend the Laws Governing the Process  
for Funding Virtual Public Charter Schools and  
Full-time, Online Learning Programs in the State'**

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

**'Sec. 1. 20-A MRSA §2413, sub-§2**, as amended by PL 2013, c. 272, §2, is further amended to read:

**2. Revenue provisions.** ~~State~~With the exception of virtual public charter schools, state and local operating funds follow each student to the public charter school attended by the student, except that the school administrative unit of the student's residence may retain up to 1% of the per-pupil allocation described in this subsection to cover associated administrative costs.

A. For each public charter school student, the school administrative unit in which the student resides must forward the per-pupil allocation to the public charter school attended by the student as follows.

(1) The per-pupil allocation amount is the EPS per-pupil rate for the school administrative unit in which the student resides, as calculated pursuant to section 15676, based on the student's grade level and adjusted as appropriate for economic disadvantage and limited English proficiency pursuant to section 15675, subsections 1 and 2. Debt service and capital outlays may not be included in the calculation of these per-pupil allocations. The department shall adopt rules governing how to calculate these per-pupil allocations, including those for targeted funds for assessment technology and kindergarten to grade 2 programs.

(2) For students attending public charter schools, the school administrative unit of residence shall forward the per-pupil allocations described in subparagraph (1) directly to the public charter school attended. These per-pupil allocations must be forwarded to each public charter school on a quarterly basis, as follows. For each fiscal year, allocations must be made in quarterly payments on September 1st, December 1st, March 1st and June 1st. The September and December payments must be based on the identity and number of students enrolled or anticipated to be enrolled in the public charter school at the opening of school for that school year. The number of students may not exceed the maximum enrollment approved in the charter contract for that year unless a waiver is obtained from the authorizer. The March and June payments must be based on the identity and number of students enrolled in the public charter school on February 1st.

(3) For transportation expenses, the average per-pupil expense in each school administrative unit of residence must be calculated and an amount equal to a proportion, up to but not more than 100%, of that per-pupil allocation amount must be forwarded to the public charter school attended on the same basis as the per-pupil allocations for operating funds. The percentage of that per-pupil expense must be determined by the authorizer of the public charter school and must be based on the cost of transportation services provided by the public charter school to the student.

(4) The department shall pay to the public charter school any additional allocation assigned to the public charter school for gifted and talented students pursuant to section 15681-A, subsection 5 in the year in which the allocation is assigned.

A school administrative unit is not required to send funds to a public charter school for a student enrolled in the public charter school's preschool or prekindergarten program if the school administrative unit of the student's residence does not offer that program to its own residents.

B. The following provisions govern special education funding.

(1) For each enrolled special education pupil, a public charter school must receive the average additional allocation calculated by the department under section 15681-A, subsection 2 for each school administrative unit for its special education students. These allocations must be paid on the same basis as the per-pupil allocations for operating funds.

(2) The school administrative unit of residence shall pay directly to the public charter school any federal or state aid attributable to a student with a disability attending the public charter school in proportion to the level of services for the student with a disability that the public charter school provides directly or indirectly.

(3) The department shall pay to the public charter school any additional allocation assigned to the public charter school because of a high-cost in-district placement in accordance with section 15681-A, subsection 2, paragraph B in the year in which the allocation is assigned.

(4) The school administrative unit of residence shall pay to the public charter school any additional allocation assigned to the unit because of a high-cost out-of-district placement in accordance with section 15681-A, subsection 2, paragraph C in the year in which the allocation is assigned to the school administrative unit.

(5) If the public charter school in which the student is enrolled was authorized by a local school board or a collaborative of local school boards, the funds under this paragraph must be paid to the local school board that authorized the public charter school or to the designated school

board of the collaborative, rather than directly to the public charter school. The local school board or boards that authorized the charter school are responsible for ensuring that special education services are provided to students in that school, pursuant to section 2412, subsection 2, paragraph A.

C. Except as otherwise provided in this chapter, the State shall send applicable federal funds directly to public charter schools attended by eligible students. Public charter schools with students eligible for funds under Title I of the federal Elementary and Secondary Education Act of 1965, 20 United States Code, Section 6301 et seq. must receive and use these funds in accordance with federal and state law. During the first year of operation, a public charter school must receive Title I funds on the basis of an estimated enrollment of eligible students, as agreed with its authorizer.

D. A public charter school may receive gifts and grants from private sources in any manner that is available to a school administrative unit.

E. A public charter school may not levy taxes or issue bonds secured by tax revenues.

F. In the event of the failure of the school administrative unit to make payments required by this section, the Treasurer of State shall deduct from any state funds that become due to the school administrative unit an amount equal to the unpaid obligation. The Treasurer of State shall pay over the amount to the public charter school upon certification by the department. The department shall adopt rules to implement the provisions of this paragraph.

G. Any money received by a public charter school from any source and remaining in the school's accounts at the end of any budget year remains in the school's accounts for use by the school during subsequent budget years and may not revert to the authorizer or to the State.

H. Nothing in this chapter may be construed to prohibit any person or organization from providing funding or other assistance for the establishment or operation of a public charter school. The governing board of a public charter school may accept gifts, donations or grants of any kind made to the school and expend or use such gifts, donations or grants in accordance with the conditions prescribed by the donor except that a gift, donation or grant may not be accepted if subject to a condition that is contrary to any provision of law or term of the charter contract.

J. The department may establish a method of transferring funds to public charter schools that is an alternative to the method provided in this subsection.

**Sec. 2. 20-A MRSA §2413-A** is enacted to read:

### **§ 2413-A. Virtual public charter school funding**

**1. Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Grading period" means the time between the initiation of a credit-bearing course and the submission of a final grade for the credit-bearing course.

B. "Operations and maintenance" means the costs necessary to support the virtual public charter school not directly related to instruction, but necessary to support the educational mission of the virtual public charter school. Such costs may include Internet access and network infrastructure, office space, technology support and marketing.

C. "Student course enrollment and ongoing student attendance" means student course enrollment and ongoing attendance in a virtual learning program as documented by the student's virtual public charter school teacher and verified by the virtual public charter school.

**2. Revenue provisions.** For a virtual public charter school, funds that follow a student enrolled in the virtual public charter school from the school administrative unit of the student's residence are determined on a unit cost basis with additional funds allowed as described in this subsection.

A. The unit cost must be determined by the department on an annual basis starting no later than April 1st, as the result of a calculation of the average salary of a middle or secondary school teacher in the State, as appropriate, divided by the EPS per-pupil rate as defined in section 15672 for a middle or secondary school class multiplied by the average number of classes taught by a middle or secondary school teacher in the State.

B. The essential programs and services per-pupil allocation of funds that follow a student enrolled in a virtual public charter school must provide additional support for the following per-pupil costs calculated by the department pursuant to chapter 606-B:

(1) Supplies and equipment;

(2) Professional development;

(3) Instructional leadership support;

(4) System administration;

(5) Operations and maintenance;

(6) Student assessment for prekindergarten to grade 8 or for grades 9 to 12;

(7) Economically disadvantaged students in prekindergarten to grade 8 or grades 9 to 12;

(8) Limited English proficiency students in prekindergarten to grade 8 or grades 9 to 12;

(9) Technology resources for prekindergarten to grade 8 or grades 9 to 12;

(10) Gifted and talented education; and

(11) Special education.

**3. Course enrollment.** Each authorized virtual public charter school shall submit information to the department on the:

A. Initial student course enrollment at the start of the school year; and

B. Student course enrollment and ongoing student attendance for each course at the beginning and at the end of each grading period.

**4. Payment of funds.** Upon verification by the department of the course enrollment information submitted by the virtual public charter school in accordance with subsection 3 and the virtual public charter school's student count in accordance with section 6004, the department shall allocate the applicable unit cost as determined in subsection 2, paragraph A, plus the additional support for applicable per-pupil costs as determined in subsection 2, paragraph B. The virtual public charter school must receive 50% of the allocation upon verification by the department of the virtual public charter school's student count on October 1st; and the virtual public charter school must receive the remaining 50% of the allocation upon verification by the department of the virtual public charter school's student count on April 1st.

**Sec. 3. 20-A MRSA §19157** is enacted to read:

**§ 19157. Funding for full-time, online learning program**

**1. Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Full-time, online learning program" means an online learning program, except that the online learning courses offered by the full-time, online learning program must be taught by certified teachers and delivered primarily electronically using the Internet or other computer-based methods.

B. "Grading period" means the time between the initiation of a credit-bearing course and the submission of a final grade for the credit-bearing course.

C. "Operations and maintenance" means the costs necessary to support a student enrolled in a full-time, online learning program established by a school administrative unit under this chapter. Such costs may include Internet access and network infrastructure, office space, technology support and marketing.

D. "Student course enrollment and ongoing student attendance" means student course enrollment and ongoing attendance in a full-time, online learning program as documented by the student's teacher employed by the online learning provider and verified by the school administrative unit that establishes the full-time, online learning program.

**2. Revenue provisions.** For a full-time, online learning program, funds that follow a student enrolled in the program from the school administrative unit of the student's residence are determined on a unit cost basis with additional funds allowed as described in this subsection.

A. The unit cost must be determined by the department on an annual basis starting no later than April 1st, as the result of a calculation of the average salary of a middle or secondary school teacher in the State, as appropriate, divided by the EPS per-pupil rate as defined in section 15672 for a middle or secondary school class multiplied by the average number of classes taught by a secondary or middle school teacher in the State.

B. The essential programs and services per-pupil allocation of funds that follow a student enrolled in a full-time, online learning program must provide additional support for the following per-pupil costs calculated by the department pursuant to chapter 606-B:

(1) Supplies and equipment;

(2) Professional development;

(3) Instructional leadership support;

(4) System administration;

(5) Operations and maintenance;

(6) Student assessment for prekindergarten to grade 8 or for grades 9 to 12;

(7) Economically disadvantaged students in prekindergarten to grade 8 or grades 9 to 12;

(8) Limited English proficiency students in prekindergarten to grade 8 or grades 9 to 12;

(9) Technology resources for prekindergarten to grade 8 or grades 9 to 12;

(10) Gifted and talented education; and

(11) Special education.

**3. Course enrollment.** Each full-time, online learning program shall submit information to the department on the:

A. Initial student course enrollment at the start of the school year; and

B. Student course enrollment and ongoing student attendance for each course at the beginning and at the end of each grading period.

**4. Payment of funds.** Upon verification by the department of the course enrollment information submitted in accordance with subsection 3 and the student count in accordance with section 6004, the department shall allocate the applicable unit cost as determined in subsection 2, paragraph A, plus the additional support for applicable per-pupil costs as determined in subsection 2, paragraph B. The school administrative unit that establishes the full-time, online learning program must receive 50% of the allocation upon verification by the department of the full-time, online learning program's student count on October 1st; and the school administrative unit must receive the remaining 50% of the allocation upon verification by the department of the full-time, online learning program's student count on April 1st.

**Sec. 4. Appropriations and allocations.** The following appropriations and allocations are made.

**EDUCATION, DEPARTMENT OF**

**General Purpose Aid for Local Schools 0308**

Initiative: Provides funds for one Management Analyst II position and related All Other costs associated with implementing and administering a method to provide funding for students enrolled in a virtual public charter school or online learning program established by a school administrative unit.

<b>GENERAL FUND</b>	<b>2013-14</b>	<b>2014-15</b>
POSITIONS - LEGISLATIVE COUNT	0.000	1.000
Personal Services	\$0	\$67,000
All Other	\$0	\$23,000
<b>GENERAL FUND TOTAL</b>	<b>\$0</b>	<b>\$90,000</b>

**SUMMARY**

This amendment, which is the majority report of the Joint Standing Committee on Education and Cultural Affairs, replaces the bill to establish provisions in the Maine Revised Statutes, Title 20-A, chapter 112 related to funding for students enrolled in a virtual public charter school and to establish provisions

HP1189, LD 1617, item 2, 126th Maine State Legislature , Amendment C "A", Filing Number H-796, Sponsored by  
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in Title 20-A, chapter 802 related to funding for students enrolled in a full-time, online learning program established by a school administrative unit.

**FISCAL NOTE REQUIRED**  
**(See attached)**