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

Sec. 1 Education Research Institute to study use of social impact bonds to fund extended learning programs and prekindergarten programs. Resolved: That the Education Research Institute, as established in the Maine Revised 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, "social impact bond" means a performance-based bond that operates over a fixed period of time and for which repayment to an investor is contingent upon a specific social outcome being achieved and "extended learning program" means a program that creates educational opportunities for students whose educational needs and abilities exceed those addressed by the general curriculum. 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; and be it further

Sec. 2 Report. Resolved: That the Education Research Institute shall submit a report with respect to the study under section 1 and any recommended legislation to the Joint Standing Committee on Education and Cultural Affairs by December 2, 2015. The Joint Standing Committee on Education and Cultural Affairs may report out a bill based 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.