



127th MAINE LEGISLATURE

LD 131

LR 282(03)

An Act To Amend the Laws Related to Public Funding of Charter Schools

**Fiscal Note for Bill as Engrossed with:
C "A" (H-38)
Committee: Education and Cultural Affairs**

Fiscal Note

Current biennium cost increase - General Fund

Fiscal Detail and Notes

This bill changes the way funding for students who attend authorized public charter schools is provided beginning in the 2015-2016 school year. Current law requires the school administrative unit (SAU) in which the student resides to forward the per-pupil allocation to the public charter school that the student is attending pursuant to Title 20-A, §2413. This legislation proposes to include the cost for authorized public charter schools in the total cost of funding public education from kindergarten to grade 12 with the State providing payments for the public charter schools total allocation directly to the charter school. This change in methodology shifts the responsibility for funding the local share of the cost of sending students to charter schools from the resident school administrative unit to all school administrative units.

The provision in section 6, sub-section 9 of this legislation, which requires a preliminary calculation of the total allocation for charter schools based on estimated student counts, increases the total state and local cost of funding public education beginning in fiscal year 2015-16 due to those students being included in student counts for both a public school and a charter school. The Department of Education estimates the total state and local cost of this provision to be approximately \$12.0 million in fiscal year 2015-16 and \$13.8 million in fiscal year 2016-17.

The Governor's proposed budget for the 2016-2017 biennium includes additional General Fund appropriations of \$17.9 million in fiscal year 2015-16 and \$19.9 million in fiscal year 2016-17 and additional Other Special Revenue Funds allocations of \$2.4 million and \$2.6 million in fiscal years 2015-16 and 2016-17, respectively, for the General Purpose Aid for Local Schools program. Of these amounts, approximately \$14.5 million in fiscal year 2015-16 and \$15.8 million in fiscal year 2016-17 are targeted for specific initiatives, leaving approximately \$5.7 million in fiscal year 2015-16 and \$6.7 million in fiscal year 2016-17 to be distributed as subsidy to local school administrative units. According to the Department of Education, these funds will be used to support the State's share of the increased costs associated with changing the way funding for authorized public charter schools is determined.

This fiscal note assumes that funding for this legislation will be approved as part of the Governor's proposed 2016-2017 biennial budget and, therefore, no General Fund appropriations are included in this bill. This fiscal note may need to be adjusted based on final legislative actions of the 127th Legislature, 1st Regular Session.

All MaineCare school-based costs are reimbursed by Department of Education, based on an agreed upon schedule. This bill changes who may be submitting some of the claims, but does not change the basics of this arrangement.