



# 130th MAINE LEGISLATURE

LD 1343

LR 708(01)

## An Act To Create Education Choices by Creating Education Savings Accounts for Maine Students

### Preliminary Fiscal Impact Statement for Original Bill

Sponsor: Rep. Hanley of Pittston

Committee: Education and Cultural Affairs

Fiscal Note Required: Yes

### Preliminary Fiscal Impact Statement

Reduction in state subsidy - local school administrative units

	FY 2021-22	FY 2022-23	Projections FY 2023-24	Projections FY 2024-25
<b>Net Cost (Savings)</b>				
General Fund	\$128,244	\$112,538	\$115,935	\$119,441
<b>Appropriations/Allocations</b>				
General Fund	\$128,244	\$112,538	\$115,935	\$119,441

#### Fiscal Detail and Notes

The Department of Education will require General Fund appropriations of \$128,244 in fiscal year 2021-22 and \$112,538 in fiscal year 2022-23 for the costs associated with implementing the requirements of this legislation. Of that amount, the General Purpose Aid for Local Schools program will require appropriations of \$125,741 and \$110,035 in fiscal years 2021-22 and 2022-23, respectively, for one Public Service Coordinator I position and related costs to oversee the certification of public and private educational entities that may receive funds as well as the calculation and deposit of funds into the education savings accounts. Additionally, the School Finance and Operations program will require General Fund appropriations of \$2,503 per year beginning in fiscal year 2021-22 for technology and software costs related to the position. This preliminary fiscal impact statement assumes an October 1, 2021 effective date.

The bill requires the Department of Education to deposit 90% of the state subsidy for each child approved for an education savings account that would otherwise be paid to the child's local school administrative unit (SAU) into a savings account established for that child. This bill also requires the SAU of the child approved for the education savings account to deposit 90% of its required local contribution attributable to that child into the child's education savings account. The impact to individual SAU's affected by this requirement will depend on the number of students in each SAU that participate in the program each year.

Without knowing how many students may participate, costs to the Office of State Treasurer (OST) have not been estimated. Administrative and vendor related costs for administration can be covered by up to 3% of the state subsidy attributable to each child. It is likely that the 3% would be sufficient to cover these costs.