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**EDUCATION AND CULTURAL AFFAIRS**

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**STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
127TH LEGISLATURE  
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT “ ” to H.P. 89, L.D. 131, Bill, “An Act To Amend the Laws Related to Public Funding of Charter Schools”

Amend the bill in section 5 in §2413-A in subsection 2 in paragraph A by striking out all of subparagraph (3) (page 3, lines 8 to 12 in L.D.) and inserting the following:

'(3) For transportation expenses, the transportation operating allocation must be the statewide per-pupil essential programs and services transportation operating allocation multiplied by pupil counts determined under section 15683-B, subsection 2, paragraph A multiplied by the percentage established by the commission for the public charter school based on the cost of transportation services provided by the public charter school to the student, but not to exceed 100%.'

Amend the bill in section 5 in §2413-A in subsection 2 by striking out all of paragraphs B and C (page 3, lines 17 to 42 in L.D.) and inserting the following:

'B. The following provisions govern special education funding.

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

(2) The department shall pay directly to a 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 a public charter school any additional allocation assigned to the public charter school because of a high-cost in-district special education placement in accordance with section 15681-A, subsection 2, paragraph B in the year in which the allocation is assigned as an adjustment to the public charter school's state contribution.

**COMMITTEE AMENDMENT**

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

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

12           Amend the bill in section 5 in §2413-A in subsection 2 by inserting after paragraph G  
13           the following:

14           'H. A public charter school may receive payment pursuant to paragraph A for  
15           students residing in the unorganized territory based on the state average EPS per-  
16           pupil rate as defined in section 15672, subsection 7-A. A special education student  
17           residing in the unorganized territory must be treated the same as a resident student  
18           from a school administrative unit for special education costs pursuant to paragraph B.  
19           The responsibility for providing a free, appropriate public education for a special  
20           education student passes to the charter school in which the student enrolls. As with  
21           other resident school administrative units in accordance with section 15681-A,  
22           subsection 2, paragraph B, the department shall pay for high-cost in-district students.'

23           Amend the bill by striking out all of section 6 (page 4, lines 16 to 40, page 5, lines 1  
24           to 40, page 6, lines 1 to 41 in L.D.) and inserting the following:

25           '**Sec. 6. 20-A MRSA §15683-B** is enacted to read:

26           **§15683-B. Public charter schools; calculation of total allocation and state**  
27           **contribution**

28           Beginning with fiscal year 2015-16, this section applies to public charter schools  
29           authorized by the Maine Charter School Commission, established under Title 5, section  
30           12004-G, subsection 10-D, in accordance with the funding provisions established in  
31           section 2413-A.

32           **1. Calculation of EPS per-pupil rates.** If there is only one school administrative  
33           unit sending students to a public charter school in a school year, the commissioner shall  
34           use that resident school administrative unit's EPS per-pupil rate. If there is more than one  
35           school administrative unit sending students to the public charter school, the commissioner  
36           shall calculate a public charter school's EPS per-pupil rate for each year as follows.

37           A. When there are elementary students from outside of a single resident school  
38           administrative unit sending students to an elementary public charter school, the EPS  
39           per-pupil rate for elementary grades is calculated by multiplying the number of  
40           students from a resident school administrative unit attending the public charter school  
41           by that resident school administrative unit's elementary EPS per-pupil rate to find the  
42           total cost for elementary students enrolled in the public charter school in that resident  
43           school administrative unit, then adding the total cost for elementary students enrolled

1 in the public charter school from each resident school administrative unit. The result  
2 is divided by the total number of elementary students in the public charter school.

3 B. When there are secondary students from outside of a single resident school  
4 administrative unit sending students to a secondary public charter school, the EPS  
5 per-pupil rate for secondary grades is calculated by multiplying the number of  
6 students from a resident school administrative unit attending the public charter school  
7 by that resident school administrative unit's secondary EPS per-pupil rate to find the  
8 total cost for secondary students enrolled in the public charter school in that resident  
9 school administrative unit, then adding the total cost for secondary students enrolled  
10 in the public charter school from each resident school administrative unit. The result  
11 is divided by the total number of secondary students in the public charter school.

12 **2. Pupil counts.** Notwithstanding section 15674, the commissioner shall determine  
13 a public charter school's student counts for each year as follows.

14 A. The basic student count for a public charter school is the pupil count for October  
15 1st of the most recent calendar year prior to the year of funding.

16 B. The number of economically disadvantaged students for each public charter  
17 school is determined by multiplying the number of students at the public charter  
18 school by the most recent available elementary free or reduced-price meals  
19 percentage for that public charter school. The elementary free or reduced-price meals  
20 percentage may be applied to determine the number of economically disadvantaged  
21 students in the public charter school secondary grades. If the public charter school  
22 does not operate elementary grades, the most recent available secondary free or  
23 reduced-price meals percentage must be used in place of the elementary free or  
24 reduced-price meals percentage.

25 C. The number of limited English proficiency students for each public charter school  
26 is the number of limited English proficiency students from the most recent October  
27 count prior to the year of funding.

28 D. The number of special education students for each public charter school is the  
29 number of special education students from the most recent October count prior to the  
30 year of funding.

31 **3. Operating allocation.** The commissioner shall determine a public charter  
32 school's operating allocation for each year as the sum of:

33 A. The base allocation, which is the pupil count pursuant to subsection 2, paragraph  
34 A multiplied by the public charter school's EPS per-pupil rates calculated pursuant to  
35 subsection 1;

36 B. The economically disadvantaged student allocation, which is the pupil count  
37 determined pursuant to subsection 2, paragraph B multiplied by the additional weight  
38 for each economically disadvantaged student pursuant to section 15675, subsection 2;

39 C. The limited English proficiency student allocation, which is the pupil count  
40 pursuant to subsection 2, paragraph C multiplied by the additional weight for each  
41 limited English proficiency student pursuant to section 15675, subsection 1;

1           D. The targeted funds for standards-based system allocation, which is based on the  
2           per-pupil amount pursuant to section 15683, subsection 1, paragraph C multiplied by  
3           the pupil count pursuant to subsection 2, paragraph A;

4           E. The targeted funds for technology resource allocation, which is based on the per-  
5           pupil amount pursuant to section 15683, subsection 1, paragraph D multiplied by the  
6           pupil count in subsection 2, paragraph A; and

7           F. The targeted funds for public preschool to grade 2 student allocation, which is  
8           based on the preschool to grade 2 pupil count pursuant to subsection 2, paragraph A  
9           multiplied by the public charter school's elementary EPS per-pupil rates in subsection  
10          1.

11          The operating allocation calculated pursuant to this subsection must be adjusted by  
12          multiplying it by the appropriate transition percentage in accordance with section 15671,  
13          subsection 7.

14          **4. Other subsidizable costs allocation.** The commissioner shall determine a public  
15          charter school's other subsidizable costs allocation for each year as the sum of:

16          A. The gifted and talented allocation pursuant to section 2413-A, subsection 2,  
17          paragraph A, subparagraph (4);

18          B. The special education allocation pursuant to section 2413-A, subsection 2,  
19          paragraph B. The special education allocation may not be less than 90% of the public  
20          charter school base year expenditures for special education; and

21          C. The transportation operating allocation, which is the statewide per-pupil essential  
22          programs and services transportation operating allocation multiplied by a percentage  
23          established by the Maine Charter School Commission for that public charter school  
24          based on the cost of transportation services provided by the public charter school to  
25          the student but not to exceed 100% multiplied by the pupil count in subsection 2,  
26          paragraph A.

27          A public charter school is not entitled to career and technical education funding. The  
28          school administrative unit in which the public charter school student resides must pay the  
29          cost of attendance for the student at a career and technical education program.

30          **5. Total allocation and state contribution.** The commissioner shall determine a  
31          public charter school's total allocation as the sum of the school's operating allocation  
32          under subsection 3 and other subsidizable costs allocation under subsection 4. That total  
33          allocation is the state contribution, except that up to 3% of this amount must be withheld  
34          in accordance with section 2405, subsection 5, paragraph B and transferred to the Maine  
35          Charter School Commission.

36          **6. Payment of state contribution.** The commissioner shall authorize state subsidy  
37          payments to be made to public charter schools in accordance with the same schedule of  
38          payments for school administrative units pursuant to section 15689-B.

39          **7. MaineCare seed.** The commissioner may deduct from a public charter school's  
40          state subsidy and pay on behalf of the public charter school allowable school-based costs  
41          that represent the public charter school's portion of MaineCare payments. A transfer of  
42          payment by the department to the Department of Health and Human Services must be

1 made pursuant to a schedule agreed upon by the Department of Health and Human  
2 Services and the department and based on documentation of payments made from  
3 MaineCare funds.

4 **8. Curtailment adjustment.** In any funding year, if general purpose aid for local  
5 schools funding is curtailed, then the public charter school state contribution under this  
6 chapter must be curtailed by the proportional percentage that school administrative units  
7 have been curtailed.

8 **9. Phase-in procedures for new or newly expanded public charter schools.** For  
9 new or newly expanded public charter schools, the commissioner shall make a  
10 preliminary calculation of total allocation based on the following:

11 A. Estimated student counts not to exceed the enrollment limit established by the  
12 Maine Charter School Commission;

13 B. Estimated rates and weights based on statewide averages; and

14 C. The preliminary calculation of total allocation, which must be replaced with  
15 actual student data once students have been enrolled for the new school year. The  
16 new or newly expanded public charter school shall enroll new students no later than  
17 August 1st in a student information system maintained by the department.'

18 Amend the bill in section 7 in subsection 2-A in the last line (page 7, line 5 in L.D.)  
19 by inserting after the following: "15683-B" the following: 'and post these estimated  
20 contributions on the department's publicly accessible website'

21 Amend the bill by striking out all of section 9 and inserting the following:

22 '**Sec. 9. 20-A MRSA §15689-D**, as amended by PL 2013, c. 368, Pt. C, §18, is  
23 further amended to read:

24 **§15689-D. Governor's recommendation for funding levels**

25 **1. Annual recommendations.** The Department of Administrative and Financial  
26 Services, Bureau of the Budget shall annually certify to the Legislature the funding levels  
27 that the Governor recommends under sections 15683, 15683-A, 15683-B, 15688-A,  
28 15689 and 15689-A and the amount for any other components of the total cost of funding  
29 public education from kindergarten to grade 12 pursuant to this chapter. The Governor's  
30 recommendations must be transmitted to the Legislature within the time schedules set  
31 forth in Title 5, section 1666 and in the form and manner described in subsection 2 and  
32 these recommendations must be posted on the department's publicly accessible website.  
33 The commissioner may adjust, consistent with the Governor's recommendation for  
34 funding levels, per-pupil amounts not related to staffing pursuant to section 15680 and  
35 targeted funds pursuant to section 15681.

36 **2. Funding level computations.** The Governor's recommendations under  
37 subsection 1 must specify the amounts that are recommended for the total operating  
38 ~~allocation~~ allocations pursuant to section 15683 including the total allocation pursuant to  
39 section 15683-B, the total of other subsidizable costs pursuant to section 15681-A, the  
40 total debt service allocation pursuant to section 15683-A, the total costs of enhancing  
41 student performance and opportunity pursuant to section 15688-A, the total adjustments  
42 pursuant to section 15689, the total miscellaneous costs pursuant to section 15689-A, the

1 amount for any other components of the total cost of funding public education from  
2 kindergarten to grade 12 and the total cost of funding public education from kindergarten  
3 to grade 12 pursuant to this chapter. The Governor’s recommendations regarding the  
4 adjustments and miscellaneous costs components also must delineate each amount that is  
5 recommended for each subsection and paragraph under sections 15689 and 15689-A and  
6 the purposes for each cost in these sections. For each amount shown in the Governor’s  
7 recommendations, the Governor’s recommendations must also show the amount for the  
8 same component or purpose that is included in the most recently approved state budget,  
9 the differences between the amounts in the most recently approved state budget and the  
10 Governor’s recommendations and the reasons for the changes. These computations must  
11 be posted on the department's publicly accessible website.'

12 Amend the bill by striking out all of sections 12 and 13 (page 8, lines 8 to 28 in L.D.)

### 13 SUMMARY

14 This amendment provides clarification to the provisions established to fund public  
15 charter schools that are authorized by the Maine Charter School Commission beginning  
16 in fiscal year 2015-16. The amendment accomplishes the following:

17 1. It adds a provision to provide that a public charter school may receive payment for  
18 students residing in the unorganized territory and provides that a special education  
19 student residing in the unorganized territory must be treated the same as a resident student  
20 from a school administrative unit for purposes of special education costs;

21 2. It amends the calculation of the total allocation and state contribution for a public  
22 charter school to provide that the EPS per-pupil rate is different when only one school  
23 administrative unit sends students to a public charter school as compared to the EPS per-  
24 pupil rate when there is more than one school administrative unit sending students to the  
25 public charter school;

26 3. It amends the student count used for the determination of the EPS per-pupil rates  
27 for public charter schools by providing that the basic student count is the October 1st  
28 student count of the most recent calendar year prior to the year of funding;

29 4. It amends the provision related to the total allocation and state contribution for  
30 public charter schools to provide that up to 3% of this amount must be withheld and  
31 transferred to the Maine Charter School Commission in accordance with the Maine  
32 Revised Statutes, Title 20-A, section 2405, subsection 5, paragraph B;

33 5. It removes the provision that establishes a moratorium on the approval of,  
34 authorization of and execution of contracts for virtual public charter schools by the Maine  
35 Charter School Commission;

36 6. It removes the provision that requires the Maine Charter School Commission to  
37 review the virtual public charter school models in other states and to submit a report to  
38 the joint standing committee of the Legislature having jurisdiction over education and  
39 cultural affairs; and

40 7. It amends the provisions that require the Commissioner of Education and the  
41 Governor to notify the governing board of each public charter school of the estimated  
42 amount of state contributions and the recommended funding level computations that must

1 be allocated to the public charter school pursuant to the Maine Revised Statutes, Title  
2 20-A, section 15683-B to provide that these estimated contributions must be posted on  
3 the Department of Education's publicly accessible website.