

## STATE OF MAINE DEPARTMENT OF EDUCATION 23 STATE HOUSE STATION AUGUSTA, ME 04333-0023

PENDER MAKIN COMMISSIONER

March 12, 2025

Senator Rafferty, Senate Chair Representative Murphy, House Chair Members of the Joint Standing Committee on Education and Cultural Affairs

Senator Rafferty, Representative Murphy, and Distinguished Members of the Education and Cultural Affairs Committee:

L.D. 220, An Act to Establish the Hope and Inclusion Scholarship Program in Order to Provide Funding for Students Attending Certain Private Schools and Students Receiving Home Instruction establishes the Hope and Inclusion Scholarship Program administered by a Hope and Inclusion Scholarship Board. The Board is directed to establish an account that may be used by the parents or legal guardians of qualified students to pay for the education of those students enrolled in certain private schools and students receiving home instruction. The Department of Education has several concerns with the proposed language of this bill.

The funding for these accounts would increase both the State and local share of education by shifting 90% of the Essential Programs and Services (EPS) funding that would otherwise be provided by the State and by the school administrative unit for each qualified student into a Hope account. This funding mechanism would derive from the State's General Fund and would increase the total State share.

The funding would also come from each of the individual qualified students residing within the school administrative unit (SAU), resulting in an additional local cost because the students in question would not count for their subsidy allocation within the EPS funding ED 279 reports. It is not possible to determine how much the cost to SAUs would be at this time, without knowing who the students are, their specific demographic details, and where they currently reside.

Adding to that difficulty is the definition of the qualified students for this bill. The Maine DOE does not currently collect the data necessary to calculate funding for the qualified students per Title 20-A, Section 15672, subsection 31-A. As such, it is not possible to determine how much of an increase this bill would require at this time, without knowing who the students are, their specific demographic details, and where they currently reside.

Finally, this bill indicates payments of funds would occur similar to how the monthly subsidy allocations are currently provided to SAUs for the State EPS funding and directs the Commissioner to reduce the state share of the total allocation to a SAU in any year. At this time, the Maine DOE EPS funding is not paid directly to any private school or other individuals, and are only paid directly to SAUs per Title 20-A, Section 15689-A. A reduction to the total cost of education as a result of this bill will impact the funding SAUs require in order to provide services to the students remaining within their SAUs.

The Department can be available for work sessions on LD 220 <u>An Act to Establish the Hope and Inclusion Scholarship Program in Order to Provide Funding for Students Attending Certain Private Schools and Students Receiving Home Instruction.</u>

Sincerely,

-- DocuSigned by:

Paula Gravelle
Paula Gravelle

Director of Public School Finance