OFFICE OF POLICY AND LEGAL ANALYSIS

To: Members, Joint Standing Committee on Education and Cultural Affairs
From: Hillary Risler, Esq., Legislative Analyst
Date: March 29, 2021
Subj: **LD 414, "An Act To Create Parity between Private Schools and Public Schools Regarding Career and Technical Education Tuition Rates" (O'Neil)**

SUMMARY

Under current law, a school that receives tuition students who are enrolled in regular school day career and technical educational programs at career and technical education centers, satellites or career and technical education regions may only charge a tuition rate of up to 2/3 of the maximum tuition rate. This bill repeals this limitation on schools that receive tuition students.

TESTIMONY
- **Proponents:**
  - The bill seeks to create parity between schools that accept publicly assisted students and receive a per-pupil tuition rate and public schools that receive the state tuition rate from sending towns
  - The reduction in funding creates a disincentive for town academies to promote and make CTE available to their high school students and is unfair and in contrast with how the State funds public education
- **Opponents:**
  - The rationale for the 2/3rds tuition is that taxpayers are already funding vocational education at the statewide level, thus decreasing the need for local tax dollars, and if the bill is enacted, the mill rate will increase
- **Neither For Nor Against:**
  - Regardless of the position on this bill, there are many barriers for town academies to get students to CTEs, such as transportation, that the State needs CTE, and any ways to reduce barriers would be beneficial

COMMITTEE REQUESTS FOR ADDITIONAL INFORMATION:

- Overview of CTE Funding Formula
- Legislative history of 20-A MRSA §5809
  - The original law goes back to 1977
  - The most recent change occurred when the legislature enacted the new CTE funding formula
    - P.L. 2017, chapter 420 (128th Legislature, LD 1843)

      Sec. 1. 20-A MRSA §5809, as amended by PL 2003, c. 477, §5 and c. 545, §§5 and 6, is further amended to read:

      §5809. Students enrolled in career and technical educational programs. Schools receiving tuition students who are enrolled in regular school day career and technical educational programs at career and technical education centers, satellites or career and technical education regions, under chapter 313, may charge a tuition rate up to 2/3 of the maximum tuition rate as computed under sections section 5805 or 5806. ~~The career and technical education center, satellite or region may charge a tuition rate of up to 1/3 of the maximum tuition rate as computed under section 5805 or 5806 for the student.~~

- What is the current tuition rate or rates for sending a student to a CTE program?
  - DOE: The ability for CTE schools to charge tuition was removed from statute when the funding formula changed to the state paying 100% of the EPS allocation for CTE.
- How many students across the state are impacted currently from schools like Thornton Academy that are sending students to CTE?
  - DOE does not have the data on this – DOE would know that a student is enrolled in a CTE program but would not know about the arrangement regarding a reduced tuition rate. Many SAUs that send to private schools have tuition contracts and school boards can vote to pay a higher tuition rate, per current statutory language.
- A breakdown of the number of secondary schools that do not accept tuition students?
  - DOE does not have this data
- Could DOE provide some clarity around how/when the 2/3 is calculated/charged. For example, is it happening ahead of time or refunded? What's the process?
  - This is a local process, and it differs from school to school

- o Dan Walker (Maine Association of Independent Schools), Steve Bailey (Maine School Management Association), and members of the DOE finance team are available to provide additional information and clarifications at the work session

PRELIMINARY FISCAL IMPACT STATEMENT:

- Not yet determined