

MAINE STATE LEGISLATURE

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L.D. 1057

Date: 6/17/13

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(Filing No. H-530)

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EDUCATION AND CULTURAL AFFAIRS

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
126TH LEGISLATURE
FIRST REGULAR SESSION**

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COMMITTEE AMENDMENT "B" to H.P. 750, L.D. 1057, Bill, "An Act Related to Public Funding of Charter Schools"

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Amend the bill by striking out everything after the enacting clause and inserting the following:

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Sec. 1. 20-A MRSA §2413, sub-§3 is enacted to read:

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3. Funding for public charter schools authorized by the commission. Beginning with fiscal year 2014-15, this section no longer applies to public charter schools authorized by the commission.

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Sec. 2. 20-A MRSA §2413-A is enacted to read:

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§2413-A. Funding for public charter schools authorized by the commission

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Beginning with fiscal year 2014-15, this section applies to public charter schools authorized by the commission.

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1. Pupil count. Students enrolled in and attending public charter schools must be reported to the department, for attendance and funding purposes, as provided in section 15683-B, subsection 2 and department rules amended or adopted pursuant to this chapter.

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2. Revenue provisions. State allocation funds follow each student to the public charter school attended by the student.

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A. For each public charter school, the total allocation must be determined as follows.

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(1) The total allocation must be calculated pursuant to section 15683-B, based on the student's grade level and adjusted as appropriate for economically disadvantaged students and limited English proficiency students pursuant to section 15675, subsections 1 and 2. Debt service and capital outlays may not be included in the calculation of these allocations. The department shall adopt rules governing how to calculate per-pupil allocations, including those for targeted funds for assessment technology and kindergarten to grade 2 programs.

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(2) For students attending public charter schools, the payments for public charter schools must be made pursuant to section 15683-B, subsection 6.

(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 under section 15683-B, subsection 2, paragraph A multiplied by the percentage established by the commission for the public charter school but not to exceed 100%.

(4) The department shall pay to the public charter school any additional allocation assigned to the public charter school for gifted and talented students pursuant to section 15681-A, subsection 5 in the year in which the allocation is assigned.

B. The following provisions govern special education funding.

(1) For each enrolled special education pupil, 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 the 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 the 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.

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

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

D. A public charter school may receive gifts and grants from private sources in any manner that is available to a school administrative unit.

E. A public charter school may not levy taxes or issue bonds secured by tax revenues.

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F. Any money received by a public charter school from any source and remaining in the school's accounts at the end of any budget year remains in the school's accounts for use by the school during subsequent budget years and may not revert to the authorizer or to the State.

G. Nothing in this chapter may be construed to prohibit any person or organization from providing funding or other assistance for the establishment or operation of a public charter school. The governing board of a public charter school may accept gifts, donations or grants of any kind made to the school and expend or use such gifts, donations or grants in accordance with the conditions prescribed by the donor except that a gift, donation or grant may not be accepted if subject to a condition that is contrary to any provision of law or term of the charter contract.

Sec. 3. 20-A MRSA §15683-B is enacted to read:

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

Beginning with fiscal year 2014-15, this section applies to public charter schools authorized by the Maine Charter School Commission in accordance with the funding provisions established in section 2413-A.

1. Calculation of EPS per-pupil rates. For public charter schools, the commissioner shall calculate that school's EPS per-pupil rate for each year as follows.

A. The EPS per-pupil rate for elementary grades is calculated by multiplying the number of students from the resident school administrative unit by the resident school administrative unit's elementary EPS per-pupil rate; then the total elementary cost for students from each resident school administrative unit is added and the result divided by the total elementary student counts in the public charter school. The result is the average elementary grade EPS per-pupil rate for the public charter school.

B. The EPS per-pupil rate for secondary grades is calculated by multiplying the number of students from the resident school administrative unit by the resident school administrative unit's secondary EPS per-pupil rate; then the total secondary cost for students from each resident school administrative unit is added and the result divided by the total secondary student counts in the public charter school. The result is the average secondary grade EPS per-pupil rate for the public charter school.

2. Pupil counts. For public charter schools, the commissioner shall determine that school's student counts for each year as follows.

A. The basic student count for a public charter school is the average of the 2 pupil counts for the school for April 1st and October 1st of the most recent calendar year prior to the year of funding.

B. The number of economically disadvantaged students for each public charter school is determined by multiplying the number of pupils by the most recent available elementary free or reduced-price meals percentage. The elementary free or reduced-price meals percentage may be applied to determine the number of economically disadvantaged students in the public charter school secondary grades. If the public charter school does not operate elementary grades then the most recent

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1 available secondary free or reduced-price meals percentage must be used in place of
2 the elementary free or reduced-price meals percentage.

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

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

9 **3. Operating allocation.** For public charter schools, the commissioner shall
10 determine that school's operating allocation for each year as the sum of:

11 A. The base allocation, which is the pupil counts in subsection 2, paragraph A
12 multiplied by the public charter school's EPS per-pupil rates in subsection 1;

13 B. The economically disadvantaged allocation, which is the pupil counts in
14 subsection 2, paragraph B multiplied by the additional weight for each economically
15 disadvantaged student pursuant to section 15675, subsection 2;

16 C. The limited English proficiency allocation, which is the pupil counts in subsection
17 2, paragraph C multiplied by the additional weight for each limited English
18 proficiency student pursuant to section 15675, subsection 1;

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

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

25 F. The targeted funds for public preschool to grade 2 student allocation, which is
26 based on the preschool to grade 2 pupil counts in subsection 2, paragraph A
27 multiplied by the public charter school's elementary EPS per-pupil rates in subsection
28 1.

29 **4. Other subsidizable costs allocation.** For public charter schools, the
30 commissioner shall determine that school's other subsidizable costs allocation for each
31 year as the sum of:

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

34 B. The special education allocation pursuant to section 2413-A, subsection 2,
35 paragraph B; and

36 C. The transportation operating allocation, which is the statewide per-pupil essential
37 programs and services transportation operating allocation multiplied by pupil counts
38 in subsection 2, paragraph A multiplied by the percentage established by the Maine
39 Charter School Commission for that public charter school but not to exceed 100%.

40 A public charter school does not pay for its students to attend career and technical
41 education programs, and therefore is not entitled to career and technical education

R.O.F.S

1 funding. The school administrative unit in which the public charter school student resides
2 must pay the cost of attendance for the student at a career and technical education
3 program.

4 **5. Total allocation and state contribution.** For public charter schools, the
5 commissioner shall determine that school's total allocation as the sum of the school's
6 operating allocation and other subsidizable costs allocation, and this amount is the state
7 contribution.

8 **6. Payment of state contribution.** For public charter schools, the commissioner
9 shall authorize state subsidy payments to be made in accordance with the same schedule
10 of payments for school administrative units pursuant to section 15689-B.

11 **7. MaineCare seed.** For public charter schools, the commissioner may deduct from
12 a public charter school's state subsidy and pay on behalf of the public charter school
13 allowable school-based costs that represent the public charter school's portion of
14 MaineCare payments. A transfer of payment by the department to the Department of
15 Health and Human Services must be made pursuant to a schedule agreed upon by the
16 Department of Health and Human Services and the department and based on
17 documentation of payments made from MaineCare funds.

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

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

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

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

28 C. The preliminary calculation of total allocation, which must be replaced with
29 actual student data once students have been enrolled for the new school year. The
30 new or newly expanded public charter school must enroll new students no later than
31 August 1st in the State's student information system.

32 **Sec. 4. 20-A MRSA §15689-C, sub-§2, ¶A,** as enacted by PL 2005, c. 2, Pt. D,
33 §61 and affected by §§72 and 74 and c. 12, Pt. WW, §18, is amended to read:

34 A. The requested funding levels for the operating allocation under ~~section~~ sections
35 15683 and 15683-B;

36 **Sec. 5. 20-A MRSA §15689-D,** as repealed and replaced by PL 2009, c. 275, §3,
37 is amended to read:

38 **§15689-D. Governor's recommendation for funding levels**

39 **1. Annual recommendations.** The Department of Administrative and Financial
40 Services, Bureau of the Budget shall annually certify to the Legislature the funding levels
41 that the Governor recommends under sections 15683, 15683-A, 15683-B, 15689 and

R.O.F.S

1 15689-A. The Governor's recommendations must be transmitted to the Legislature
2 within the time schedules set forth in Title 5, section 1666 and in the form and manner
3 described in subsection 2. The commissioner may adjust, consistent with the Governor's
4 recommendation for funding levels, per-pupil amounts not related to staffing pursuant to
5 section 15680 and targeted funds pursuant to section 15681.

6 **2. Funding level computations.** The Governor's recommendations under
7 subsection 1 must specify the amounts that are recommended for the total operating
8 allocation pursuant to section 15683, the total allocation pursuant to section 15683-B, the
9 total of other subsidizable costs pursuant to section 15681-A, the total debt service
10 allocation pursuant to section 15683-A, the total adjustments pursuant to section 15689,
11 the total miscellaneous costs pursuant to section 15689-A, the amount for any other
12 components of the total cost of funding public education from kindergarten to grade 12
13 and the total cost of funding public education from kindergarten to grade 12 pursuant to
14 this chapter. The Governor's recommendations regarding the adjustments and
15 miscellaneous costs components also must delineate each amount that is recommended
16 for each subsection and paragraph under sections 15689 and 15689-A and the purposes
17 for each cost in these sections. For each amount shown in the Governor's
18 recommendations, the Governor's recommendations must also show the amount for the
19 same component or purpose that is included in the most recently approved state budget,
20 the differences between the amounts in the most recently approved state budget and the
21 Governor's recommendations and the reasons for the changes.

22 **Sec. 6. 20-A MRSA §15689-E, sub-§1, ¶B**, as enacted by PL 2005, c. 2, Pt. D,
23 §61 and affected by §§72 and 74 and c. 12, Pt. WW, §18, is amended to read:

24 B. The state share of the total operating allocation and the total debt service
25 allocation described in sections 15683 ~~and~~, 15683-A and 15683-B; and'

26 **SUMMARY**

27 This amendment, which is the minority report of the Joint Standing Committee on
28 Education and Cultural Affairs, establishes provisions to fund public charter schools that
29 are authorized by the Maine Charter School Commission beginning in fiscal year 2014-
30 15. The amendment establishes provisions that calculate the total allocation of funds to
31 be provided under the General Purpose Aid for Local Schools program for public charter
32 schools that are authorized by the commission.

33 The amendment also provides that, beginning in fiscal year 2014-15, the
34 Commissioner of Education's recommendations for funding levels under the Essential
35 Programs and Services Funding Act must include funding level computations for the total
36 allocation of funds to public charter schools authorized by the commission in accordance
37 with provisions of the Maine Revised Statutes, Title 20-A, section 15683-B.

38 **FISCAL NOTE REQUIRED**

39 (See attached)

COMMITTEE AMENDMENT



126th MAINE LEGISLATURE

LD 1057

LR 739(03)

An Act Related to Public Funding of Charter Schools

Fiscal Note for Bill as Amended by Committee Amendment *B (H-530)*

Committee: Education and Cultural Affairs

Fiscal Note Required: Yes

Fiscal Note

Current biennium cost increase - General Fund

Fiscal Detail and Notes

This legislation will increase the total cost of K-12 public education in fiscal year 2014-15. Unless General Fund appropriations are provided to fully fund the cost of public charter schools that are authorized by the Maine Charter School Commission, this legislation will result in local school administrative units receiving less state subsidy for the 2014-2015 school year than would have been received if this provision was not in place. The impact to individual local school administrative units can not be determined at this time.