

MAINE STATE LEGISLATURE

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Date: 4/2/14

Majority

L.D. 1617
(Filing No. H-796)

EDUCATION AND CULTURAL AFFAIRS

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

COMMITTEE AMENDMENT "A" to H.P. 1189, L.D. 1617, Bill, "An Act To Amend the Laws Governing the Approval Process for and the Operation of Virtual Public Charter Schools in the State"

Amend the bill by striking out the title and substituting the following:

'An Act To Amend the Laws Governing the Process for Funding Virtual Public Charter Schools and Full-time, Online Learning Programs in the State'

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

'Sec. 1. 20-A MRSA §2413, sub-§2, as amended by PL 2013, c. 272, §2, is further amended to read:

2. Revenue provisions. State With the exception of virtual public charter schools, state and local operating funds follow each student to the public charter school attended by the student, except that the school administrative unit of the student's residence may retain up to 1% of the per-pupil allocation described in this subsection to cover associated administrative costs.

A. For each public charter school student, the school administrative unit in which the student resides must forward the per-pupil allocation to the public charter school attended by the student as follows.

(1) The per-pupil allocation amount is the EPS per-pupil rate for the school administrative unit in which the student resides, as calculated pursuant to section 15676, based on the student's grade level and adjusted as appropriate for economic disadvantage and limited English proficiency pursuant to section 15675, subsections 1 and 2. Debt service and capital outlays may not be included in the calculation of these per-pupil allocations. The department shall adopt rules governing how to calculate these per-pupil allocations, including those for targeted funds for assessment technology and kindergarten to grade 2 programs.

COMMITTEE AMENDMENT

R.O.F.S

1 (2) For students attending public charter schools, the school administrative unit
2 of residence shall forward the per-pupil allocations described in subparagraph (1)
3 directly to the public charter school attended. These per-pupil allocations must
4 be forwarded to each public charter school on a quarterly basis, as follows. For
5 each fiscal year, allocations must be made in quarterly payments on September
6 1st, December 1st, March 1st and June 1st. The September and December
7 payments must be based on the identity and number of students enrolled or
8 anticipated to be enrolled in the public charter school at the opening of school for
9 that school year. The number of students may not exceed the maximum
10 enrollment approved in the charter contract for that year unless a waiver is
11 obtained from the authorizer. The March and June payments must be based on
12 the identity and number of students enrolled in the public charter school on
13 February 1st.

14 (3) For transportation expenses, the average per-pupil expense in each school
15 administrative unit of residence must be calculated and an amount equal to a
16 proportion, up to but not more than 100%, of that per-pupil allocation amount
17 must be forwarded to the public charter school attended on the same basis as the
18 per-pupil allocations for operating funds. The percentage of that per-pupil
19 expense must be determined by the authorizer of the public charter school and
20 must be based on the cost of transportation services provided by the public
21 charter school to the student.

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

26 A school administrative unit is not required to send funds to a public charter school
27 for a student enrolled in the public charter school's preschool or prekindergarten
28 program if the school administrative unit of the student's residence does not offer that
29 program to its own residents.

30 B. The following provisions govern special education funding.

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

36 (2) The school administrative unit of residence shall pay directly to the public
37 charter school any federal or state aid attributable to a student with a disability
38 attending the public charter school in proportion to the level of services for the
39 student with a disability that the public charter school provides directly or
40 indirectly.

41 (3) The department shall pay to the public charter school any additional
42 allocation assigned to the public charter school because of a high-cost in-district

COMMITTEE AMENDMENT

1 placement in accordance with section 15681-A, subsection 2, paragraph B in the
2 year in which the allocation is assigned.

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

8 (5) If the public charter school in which the student is enrolled was authorized by
9 a local school board or a collaborative of local school boards, the funds under this
10 paragraph must be paid to the local school board that authorized the public
11 charter school or to the designated school board of the collaborative, rather than
12 directly to the public charter school. The local school board or boards that
13 authorized the charter school are responsible for ensuring that special education
14 services are provided to students in that school, pursuant to section 2412,
15 subsection 2, paragraph A.

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

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

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

27 F. In the event of the failure of the school administrative unit to make payments
28 required by this section, the Treasurer of State shall deduct from any state funds that
29 become due to the school administrative unit an amount equal to the unpaid
30 obligation. The Treasurer of State shall pay over the amount to the public charter
31 school upon certification by the department. The department shall adopt rules to
32 implement the provisions of this paragraph.

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

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

R.O.F.S

1 J. The department may establish a method of transferring funds to public charter
2 schools that is an alternative to the method provided in this subsection.

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

4 **§2413-A. Virtual public charter school funding**

5 **1. Definitions.** As used in this section, unless the context otherwise indicates, the
6 following terms have the following meanings.

7 A. "Grading period" means the time between the initiation of a credit-bearing course
8 and the submission of a final grade for the credit-bearing course.

9 B. "Operations and maintenance" means the costs necessary to support the virtual
10 public charter school not directly related to instruction, but necessary to support the
11 educational mission of the virtual public charter school. Such costs may include
12 Internet access and network infrastructure, office space, technology support and
13 marketing.

14 C. "Student course enrollment and ongoing student attendance" means student course
15 enrollment and ongoing attendance in a virtual learning program as documented by
16 the student's virtual public charter school teacher and verified by the virtual public
17 charter school.

18 **2. Revenue provisions.** For a virtual public charter school, funds that follow a
19 student enrolled in the virtual public charter school from the school administrative unit of
20 the student's residence are determined on a unit cost basis with additional funds allowed
21 as described in this subsection.

22 A. The unit cost must be determined by the department on an annual basis starting no
23 later than April 1st, as the result of a calculation of the average salary of a middle or
24 secondary school teacher in the State, as appropriate, divided by the EPS per-pupil
25 rate as defined in section 15672 for a middle or secondary school class multiplied by
26 the average number of classes taught by a middle or secondary school teacher in the
27 State.

28 B. The essential programs and services per-pupil allocation of funds that follow a
29 student enrolled in a virtual public charter school must provide additional support for
30 the following per-pupil costs calculated by the department pursuant to chapter 606-B:

- 31 (1) Supplies and equipment;
- 32 (2) Professional development;
- 33 (3) Instructional leadership support;
- 34 (4) System administration;
- 35 (5) Operations and maintenance;
- 36 (6) Student assessment for prekindergarten to grade 8 or for grades 9 to 12;
- 37 (7) Economically disadvantaged students in prekindergarten to grade 8 or grades
38 9 to 12;

COMMITTEE AMENDMENT

2 OF 5

- 1 (8) Limited English proficiency students in prekindergarten to grade 8 or grades
- 2 9 to 12;
- 3 (9) Technology resources for prekindergarten to grade 8 or grades 9 to 12;
- 4 (10) Gifted and talented education; and
- 5 (11) Special education.

6 **3. Course enrollment.** Each authorized virtual public charter school shall submit

- 7 information to the department on the:
- 8 A. Initial student course enrollment at the start of the school year; and
- 9 B. Student course enrollment and ongoing student attendance for each course at the
- 10 beginning and at the end of each grading period.

11 **4. Payment of funds.** Upon verification by the department of the course enrollment
 12 information submitted by the virtual public charter school in accordance with subsection
 13 3 and the virtual public charter school's student count in accordance with section 6004,
 14 the department shall allocate the applicable unit cost as determined in subsection 2,
 15 paragraph A, plus the additional support for applicable per-pupil costs as determined in
 16 subsection 2, paragraph B. The virtual public charter school must receive 50% of the
 17 allocation upon verification by the department of the virtual public charter school's
 18 student count on October 1st; and the virtual public charter school must receive the
 19 remaining 50% of the allocation upon verification by the department of the virtual public
 20 charter school's student count on April 1st.

21 **Sec. 3. 20-A MRS §19157** is enacted to read:

22 **§19157. Funding for full-time, online learning program**

23 **1. Definitions.** As used in this section, unless the context otherwise indicates, the

24 following terms have the following meanings.

25 A. "Full-time, online learning program" means an online learning program, except
 26 that the online learning courses offered by the full-time, online learning program
 27 must be taught by certified teachers and delivered primarily electronically using the
 28 Internet or other computer-based methods.

29 B. "Grading period" means the time between the initiation of a credit-bearing course
 30 and the submission of a final grade for the credit-bearing course.

31 C. "Operations and maintenance" means the costs necessary to support a student
 32 enrolled in a full-time, online learning program established by a school administrative
 33 unit under this chapter. Such costs may include Internet access and network
 34 infrastructure, office space, technology support and marketing.

35 D. "Student course enrollment and ongoing student attendance" means student
 36 course enrollment and ongoing attendance in a full-time, online learning program as
 37 documented by the student's teacher employed by the online learning provider and
 38 verified by the school administrative unit that establishes the full-time, online
 39 learning program.

COMMITTEE AMENDMENT

1 **2. Revenue provisions.** For a full-time, online learning program, funds that follow a
 2 student enrolled in the program from the school administrative unit of the student's
 3 residence are determined on a unit cost basis with additional funds allowed as described
 4 in this subsection.

5 A. The unit cost must be determined by the department on an annual basis starting no
 6 later than April 1st, as the result of a calculation of the average salary of a middle or
 7 secondary school teacher in the State, as appropriate, divided by the EPS per-pupil
 8 rate as defined in section 15672 for a middle or secondary school class multiplied by
 9 the average number of classes taught by a secondary or middle school teacher in the
 10 State.

11 B. The essential programs and services per-pupil allocation of funds that follow a
 12 student enrolled in a full-time, online learning program must provide additional
 13 support for the following per-pupil costs calculated by the department pursuant to
 14 chapter 606-B:

15 (1) Supplies and equipment;

16 (2) Professional development;

17 (3) Instructional leadership support;

18 (4) System administration;

19 (5) Operations and maintenance;

20 (6) Student assessment for prekindergarten to grade 8 or for grades 9 to 12;

21 (7) Economically disadvantaged students in prekindergarten to grade 8 or grades
 22 9 to 12;

23 (8) Limited English proficiency students in prekindergarten to grade 8 or grades
 24 9 to 12;

25 (9) Technology resources for prekindergarten to grade 8 or grades 9 to 12;

26 (10) Gifted and talented education; and

27 (11) Special education.

28 **3. Course enrollment.** Each full-time, online learning program shall submit
 29 information to the department on the:

30 A. Initial student course enrollment at the start of the school year; and

31 B. Student course enrollment and ongoing student attendance for each course at the
 32 beginning and at the end of each grading period.

33 **4. Payment of funds.** Upon verification by the department of the course enrollment
 34 information submitted in accordance with subsection 3 and the student count in
 35 accordance with section 6004, the department shall allocate the applicable unit cost as
 36 determined in subsection 2, paragraph A, plus the additional support for applicable per-
 37 pupil costs as determined in subsection 2, paragraph B. The school administrative unit
 38 that establishes the full-time, online learning program must receive 50% of the allocation

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1 upon verification by the department of the full-time, online learning program's student
2 count on October 1st; and the school administrative unit must receive the remaining 50%
3 of the allocation upon verification by the department of the full-time, online learning
4 program's student count on April 1st.

5 **Sec. 4. Appropriations and allocations.** The following appropriations and
6 allocations are made.

7 **EDUCATION, DEPARTMENT OF**

8 **General Purpose Aid for Local Schools 0308**

9 Initiative: Provides funds for one Management Analyst II position and related All Other
10 costs associated with implementing and administering a method to provide funding for
11 students enrolled in a virtual public charter school or online learning program established
12 by a school administrative unit.

13	GENERAL FUND	2013-14	2014-15
14	POSITIONS - LEGISLATIVE COUNT	0.000	1.000
15	Personal Services	\$0	\$67,000
16	All Other	\$0	\$23,000
17			
18	GENERAL FUND TOTAL	<u>\$0</u>	<u>\$90,000</u>
19			

20 **SUMMARY**

21 This amendment, which is the majority report of the Joint Standing Committee on
22 Education and Cultural Affairs, replaces the bill to establish provisions in the Maine
23 Revised Statutes, Title 20-A, chapter 112 related to funding for students enrolled in a
24 virtual public charter school and to establish provisions in Title 20-A, chapter 802 related
25 to funding for students enrolled in a full-time, online learning program established by a
26 school administrative unit.

27 **FISCAL NOTE REQUIRED**

28 **(See attached)**



126th MAINE LEGISLATURE

LD 1617

LR 2605(02)

An Act To Amend the Laws Governing the Approval Process for and the Operation of Virtual Public Charter Schools in the State

Fiscal Note for Bill as Amended by Committee Amendment
 Committee: Education and Cultural Affairs

A(H-796)

Fiscal Note Required: Yes

Fiscal Note

	FY 2013-14	FY 2014-15	Projections FY 2015-16	Projections FY 2016-17
Net Cost (Savings)				
General Fund	\$0	\$90,000	\$79,746	\$83,583
Appropriations/Allocations				
General Fund	\$0	\$90,000	\$79,746	\$83,583

Fiscal Detail and Notes

This bill includes a General Fund appropriations of \$90,000 in fiscal year 2014-15 to the General Purpose Aid for Local Schools program within the Department of Education for one Management Analyst II position and related all other costs to implement and administer the funding methodology required in this legislation for students enrolled in a virtual public charter school or an online learning program established by a school administrative unit.

The impact that the funding methodology provided in this legislation will have on the amount of funding a school administrative unit in which a student resides will be required to pay to support the costs of that student enrolling in a virtual public charter school, and whether or not that funding amount will be higher or lower than what is currently required, can not be determined at this time.