



126th MAINE LEGISLATURE

FIRST REGULAR SESSION-2013

Legislative Document

No. 615

H.P. 434

House of Representatives, February 21, 2013

**An Act To Protect School Administrative Units from a Sudden
Decrease in Funding due to Reduced Enrollments**

Reference to the Committee on Education and Cultural Affairs suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative McCABE of Skowhegan.
Cosponsored by Senator CAIN of Penobscot.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 20-A MRSA §2413-A** is enacted to read:

3 **§2413-A. Reimbursement for sudden and severe loss of funding**

4 **1. Request for reimbursement.** A school administrative unit that has suffered a
5 sudden and severe loss of funding as a result of the enrollment of students from that unit
6 in public charter schools as described in subsection 2 may request reimbursement of a
7 portion of those funds under this section. A school administrative unit requesting
8 reimbursement of funds under this section must file a petition, with supporting
9 documentation, with the commissioner and specify the fiscal year for which the
10 reimbursement is being requested.

11 **2. Sudden and severe loss of funding.** A school administrative unit has suffered a
12 sudden and severe loss of funding if 10 or more students who are eligible for enrollment
13 in schools in that unit in the fiscal year for which the reimbursement is being requested
14 who enrolled in schools in that unit in the immediately preceding fiscal year have instead
15 enrolled in public charter schools. A school administrative unit requesting
16 reimbursement of funds under this section must submit a separate petition and supporting
17 documentation for each fiscal year in which the unit has suffered a sudden and severe loss
18 of funding.

19 **3. Supporting documentation.** A school administrative unit filing a petition under
20 this section must submit a detailed list of the qualifying students from that unit who
21 enrolled in public charter schools for the fiscal year in which the reimbursement is being
22 requested.

23 **4. Commissioner review and determination.** On receipt of a petition by a school
24 administrative unit for reimbursement under this section, the commissioner shall examine
25 the documentation provided by the unit and determine if the unit qualifies for
26 reimbursement. If the commissioner determines that the school administrative unit
27 qualifies for reimbursement, the commissioner must calculate the amount of the
28 reimbursement for the unit as follows:

29 **A.** For the first fiscal year in which the school administrative unit suffers a sudden
30 and severe loss of funding as described under subsection 1, the State must reimburse
31 the unit for 75% of the total amount of per-pupil allocations calculated pursuant to
32 section 2413 that have been forwarded to public charter schools; and

33 **B.** For the fiscal year after the fiscal year in which the school administrative unit
34 suffers a sudden and severe loss of funding, the State must reimburse the unit for
35 40% of the reimbursement amount calculated under paragraph A.

36 The reimbursement amounts calculated under this subsection must be paid by the State to
37 the school administrative unit in the same manner and on the same schedule as units are
38 required to forward per-pupil allocations to public charter schools under section 2413.

39 **5. Qualifying determination and notice.** If the commissioner determines that the
40 petition and documentation submitted by a school administrative unit pursuant to

1 subsection 2 are sufficient to qualify the unit for reimbursement pursuant to subsection 4,
2 the commissioner must notify the unit within 30 days of the receipt of the petition by the
3 commissioner. The notice provided by the commissioner to the school administrative
4 unit must include the amount of the reimbursement calculated under subsection 4 and the
5 date by which the unit will receive the first quarterly payment of that reimbursement from
6 the State.

7 **6. Nonqualifying determination; notice and amended petition.** If the
8 commissioner determines that the petition and supporting documentation submitted by a
9 school administrative unit pursuant to subsection 2 are incomplete or do not provide
10 information sufficient to qualify the unit for reimbursement pursuant to subsection 4, the
11 commissioner must notify the unit within 30 days of receipt of the petition by the
12 department. The school administrative unit may submit an amended petition no later than
13 30 days from receipt of the notice of a nonqualifying determination by the commissioner
14 for reconsideration. A school administrative unit that fails to submit an amended petition
15 within 30 days forfeits its right to receive reimbursement for the fiscal year addressed in
16 the petition. The commissioner may not deny reimbursement to a school administrative
17 unit that provides sufficient documentation that the unit meets the qualifying criteria
18 established under this section or by rule.

19 **7. Rules.** The department may adopt rules governing the petition process and the
20 documentation required to qualify for reimbursement under this section. Rules adopted
21 pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375,
22 subchapter 2-A.

23 SUMMARY

24 This bill allows a school administrative unit to request reimbursement from the State
25 when the unit has experienced a sudden and severe loss of funding due to the enrollment
26 of students from that unit in public charter schools. The bill establishes criteria that a
27 school administrative unit must meet to qualify for reimbursement. It also establishes a
28 process by which school administrative units may petition the Commissioner of
29 Education for reimbursement of a portion of the lost funds. The bill also establishes a
30 reimbursement formula that the commissioner must use to calculate reimbursement
31 amounts for qualifying school administrative units.