



128th MAINE LEGISLATURE

LD 1132

LR 1653(02)

An Act To Create Education Savings Accounts for Students with Special Needs

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Education and Cultural Affairs

Fiscal Note Required: Yes

Fiscal Note

Reduction in state subsidy - local school administrative units

	FY 2017-18	FY 2018-19	Projections FY 2019-20	Projections FY 2020-21
Net Cost (Savings)				
General Fund	\$192,456	\$191,731	\$209,868	\$208,385
Appropriations/Allocations				
General Fund	\$192,456	\$191,731	\$209,868	\$208,385

Fiscal Detail and Notes

The Department of Education has requested and this bill includes General Fund appropriations of \$125,341 in fiscal year 2017-18 and \$100,729 in fiscal year 2018-19 to the General Purpose Aid for Local Schools program for one Public Service Coordinator I position and related All Other costs associated with establishing and administering a program to provide education savings accounts to children with disabilities.

This legislation requires the Department of Education to deposit 90% of the state subsidy for each child participating in the program that would otherwise be paid to the child's local school administrative unit (SAU) into a savings account established for that child. The bill also provides that a portion of the remaining 10% of state subsidy attributable to that child not deposited into an education savings account may be used to offset the administrative costs to the Department and the State Controller. It is unclear whether or not this provision will be sufficient to cover the annual costs to the Department of Education to administer this program.

This bill also requires the SAU of the child participating in the program to deposit 90% of its required local contribution attributable to that child into the child's education savings account. The impact to individual SAU's affected by this requirement will depend on the number of students in each SAU that participate in the program each year.

This bill also includes a General Fund appropriation of \$67,115 in fiscal year 2017-2018 and \$91,002 in fiscal year 2018-19 for the Department of Administrative and Financial Services for one position to manage the education savings accounts.