

# Essential Programs & Services

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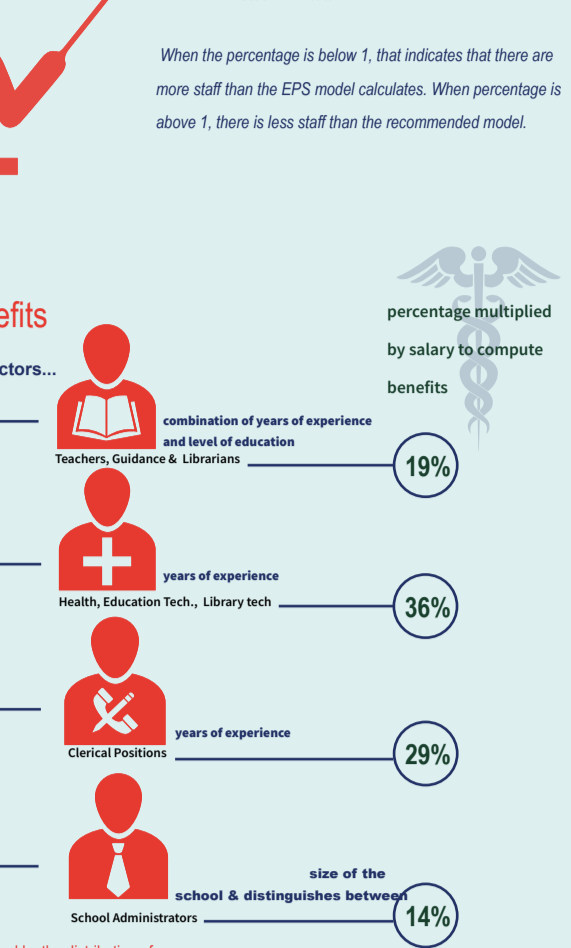
## Introduction

The Essential Programs and Services (EPS) formula is a complex system which determines what funds the local community and the state needs to provide for each school district. It identifies each individual district and taking into account all of the needs of each school, the Maine Department of Education can predict the general funds those individual districts will need for the school year. This system gives educators a tailored allocation - one which is not equal, but equitable to the budgets of other districts.

## Section 1: General Costs

Source: 15/17-15/18

The first section of the formula finds the EPS rate, which is the allocation of a student that needs no supplementary support. First, the supported costs are found, then the regional adjustment is added or subtracted, and lastly, this number is divided by the average attending pupils.

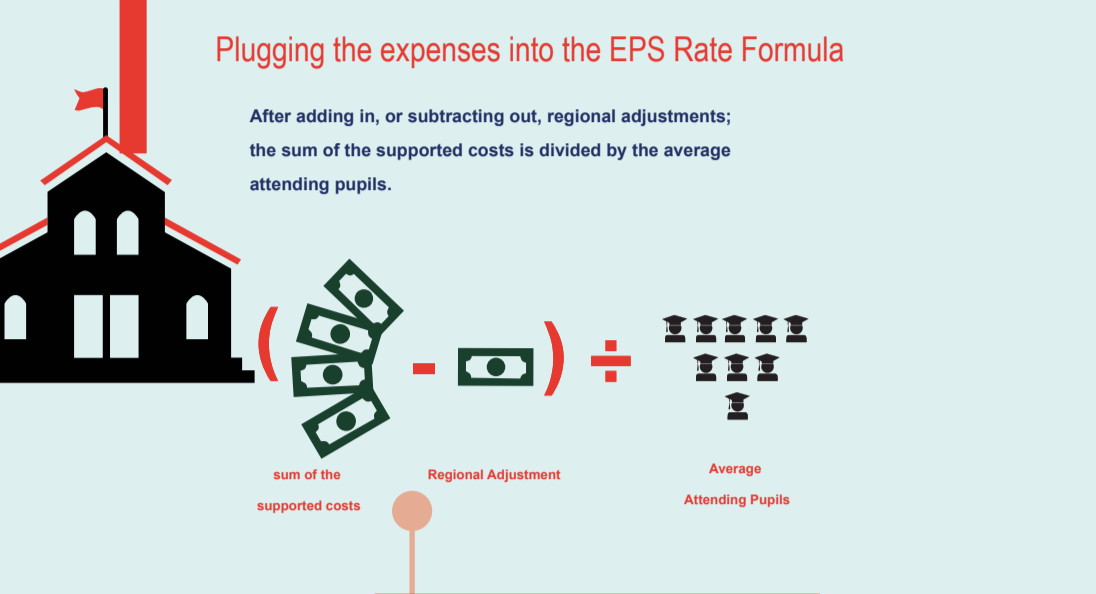


### Finding the Supported Costs...

October to October two-year average of student enrollment is found using the Oct. 1 EPS count certification report.

### Staff FTE Ratios

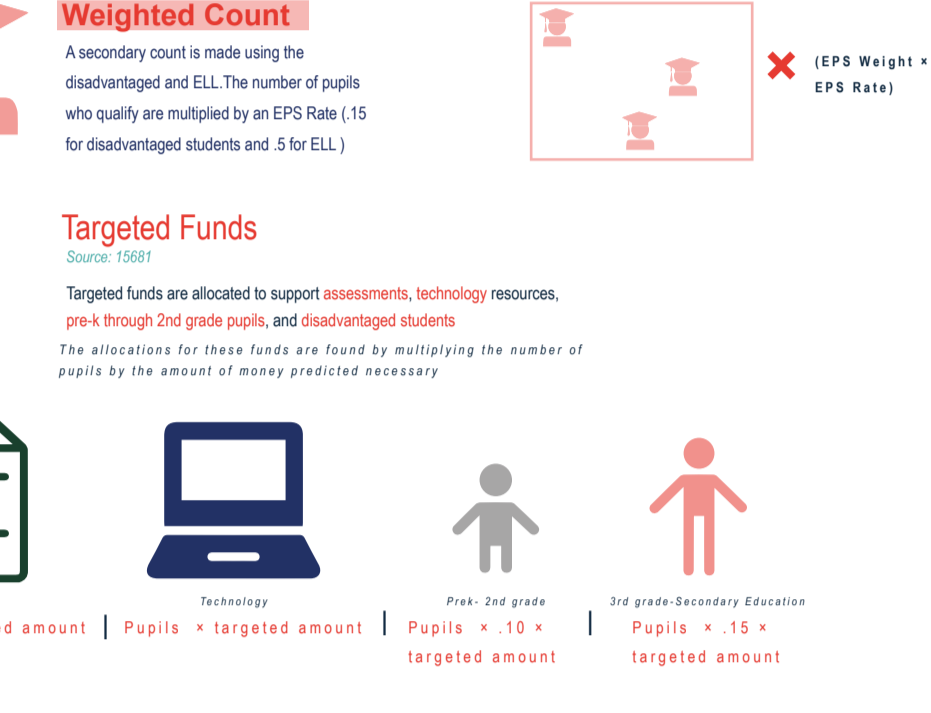
Using this average, staff positions are then calculated with a student to teacher ratio. The ratio varies per grade (ie: 15 to 1 for high school)



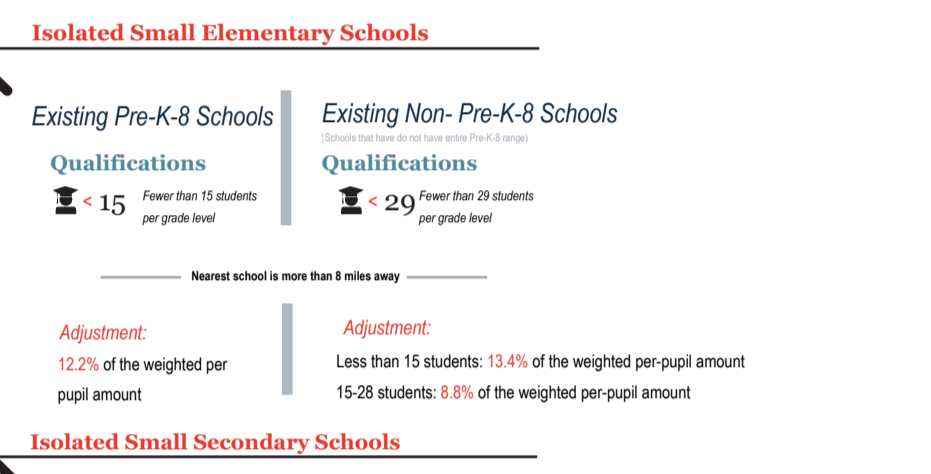
When the percentage is below 1, that indicates that there are more staff than the EPS model calculates. When percentage is above 1, there is less staff than the recommended model.

### Calculating Salaries & Benefits

Each salary is based off of a variety of factors... The sum of the individual amounts are summed and multiplied by the % of EPS. (This divides the total amount of money for the recommended number of staff amongst the actual number of staff)

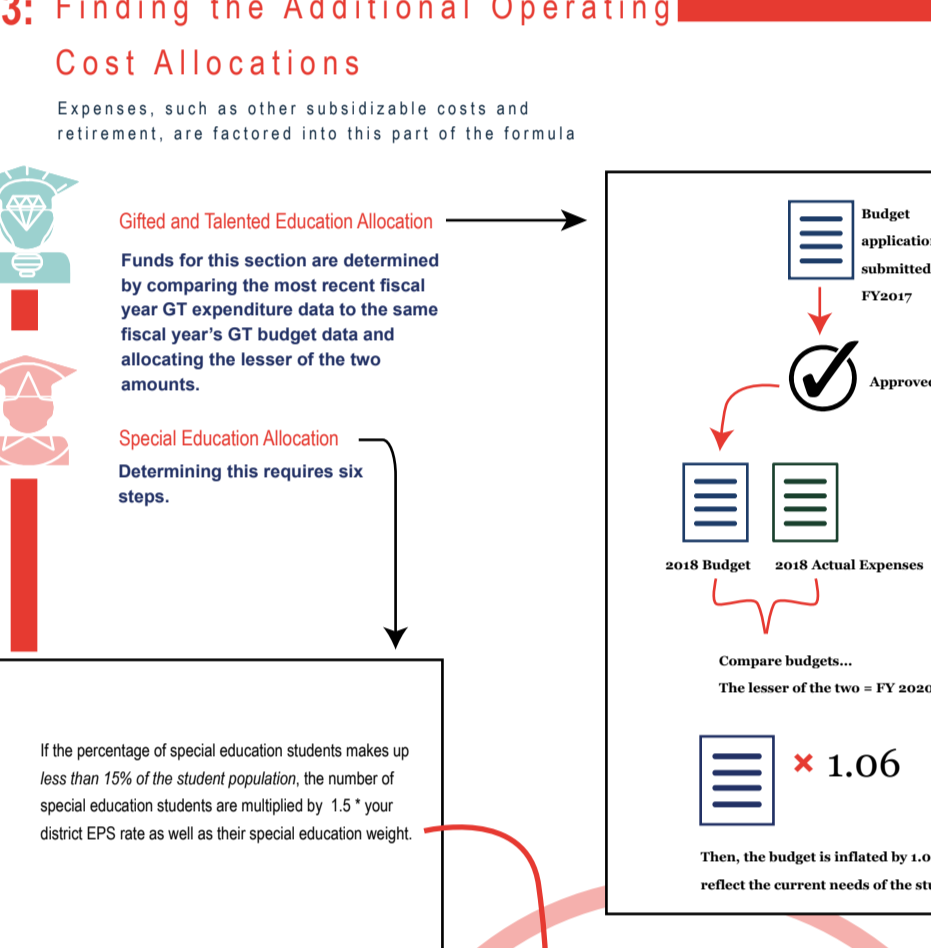


The distribution of the staff salary is determined by the distribution of students for each grade in the school district.



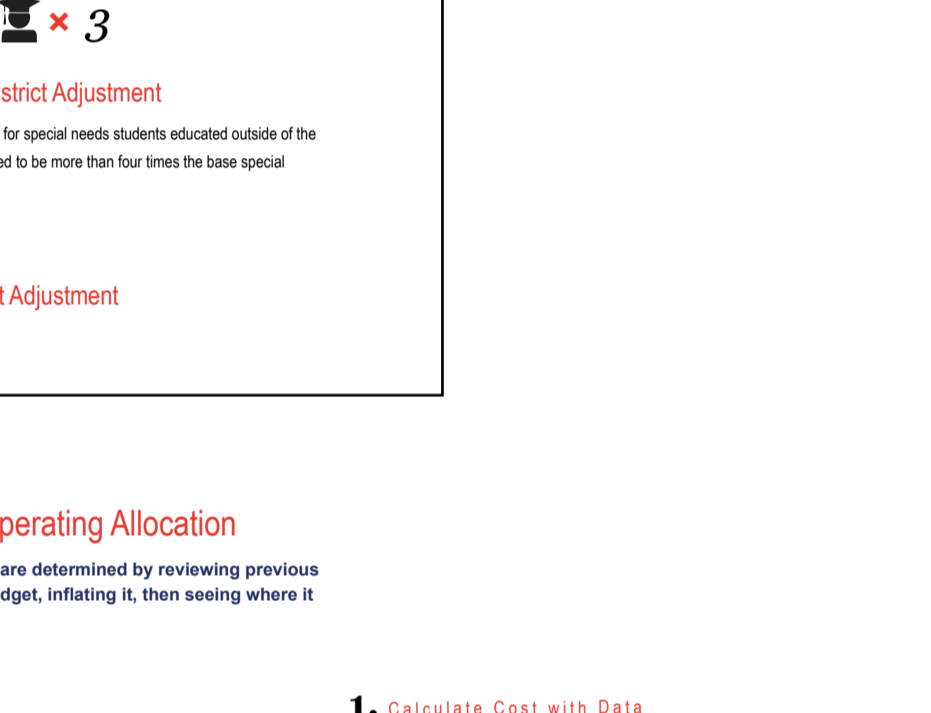
### Adding in Other Support Per-Pupil Costs

A simple formula for expenses multiplies costs by average elementary students and secondary students.



### Plugging the expenses into the EPS Rate Formula

After adding in, or subtracting, regional adjustments, the sum of the supported costs is divided by the average attending pupils.



The Regional Adjustment exists to take into account the different labor markets. In an expensive location, one could more because the cost of living is more expensive.

## Section 2: Finding the Basic Operating Cost Allocations

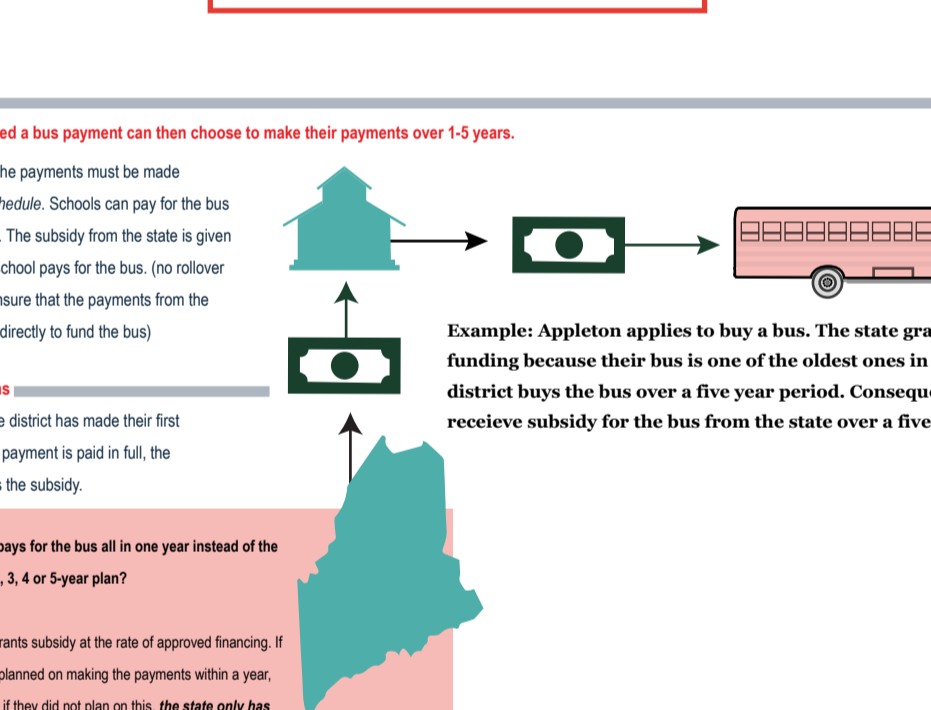
Different grades and different students come with separate needs.

This section accounts for the needs of the individual school districts. This section looks at:
 

- The needs of basic students
- The needs of disadvantaged students
- Targeted Funds
- The Isolated Small School Adjustment

### Subsidizable Pupils

The average subsidizable pupil population is found from using the student population from the current year and the year before.



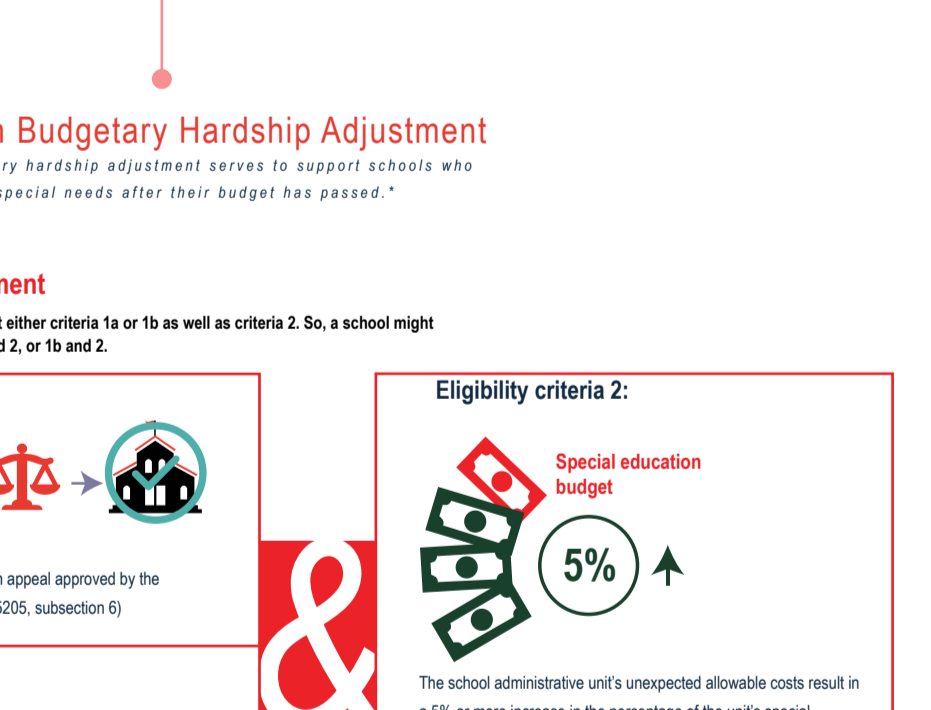
### Targeted Funds

Targeted funds are allocated to support assessments, technology resources, or in English learners and disadvantaged students. The allocations for these funds are found by multiplying the number of pupils by the amount of money provided necessary.



### Isolated Small School Adjustment

There are 3 different types of isolated schools...



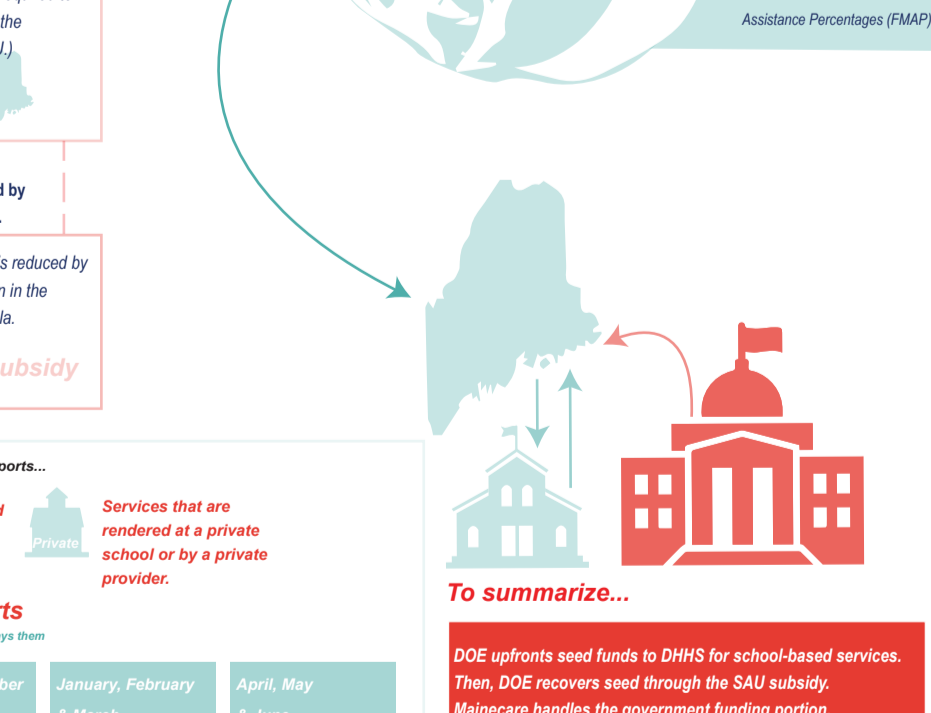
**Isolated Small Elementary Schools**  
 Existing Pre-K-8 Schools: Qualifications: < 15 fewer than 15 students per grade level. Adjustment: 12.2% of the weighted per pupil amount.  
 Existing Non-Pre-K-8 Schools: Qualifications: < 20 fewer than 15 students per grade level. Adjustment: Less than 15 students: 13.4% of the weighted per-pupil amount; 15-28 students: 8.8% of the weighted per-pupil amount.

**Isolated Small Secondary Schools**  
 Qualifications: < 200 fewer than 200 students per grade level. Distance between the highest school in district and nearest high school is at least 18.5 miles. Adjustment: Student-teacher ratios reduces to 11:1 for schools with fewer than 100 students and 13:1 for schools with 100-199 students.

**Island Schools**  
 Qualifications: Island-operating schools. Adjustment: A. Isolated small secondary schools student teacher adjustment for schools with fewer than 200 students; B. 10% reduction adjustment in K-8 EPS rate for elementary schools; C. 15% adjustment in EPS covering all maintenance costs, depending upon school level and size; for islands operating schools, 5 less than 20 students: 13%.

## Section 3: Finding the Additional Operating Cost Allocations

Expenses, such as other subsidizable costs and retirement are factored into this part of the formula.



### 1. Base Component

**Basic EPS Base Rate = 15%**  
 The 15% of student population. Formula: (Basic EPS Base Rate \* Student Population) + (Special Education Allocation) = Total Base Component. Result: x 1.5

**2. Prevalence Adjustment**  
 For the number of special education students above 15% of the SAU's total population, a 0.38 weight is applied to that number of students as a prevalence adjustment. Result: x 1.5

**3. Size Adjustment**  
 Additional allocations are granted to SAUs with fewer than 20 special education students identified on the current December 1st date count. Result: < 20

**4. High-Cost In-District Adjustment**  
 Additional funds are allocated for each student who is estimated to cost the district in the special education (EPS) per-pupil unit. Currently, this is an relation over the previous years adjustment. Result: x 3

**5. High-Cost Out-of-District Adjustment**  
 Districts receive an adjustment for special needs students educated outside of the district when costs are estimated to be more than four times the basic special education per-pupil amount.

**6. Maintenance of Effort Adjustment**  
 The net expenditure data from step one is multiplied by 90% and 105%, and then compared to the inflated allocation. Above 105% = capped at 105%; In the middle = set at inflated allocation; Below 90% = brought up to 90%.

**Net Transportation Expenditures**  
 Transportation Expenditures - Transportation revenues + cost community services expenditures - bus revenues + vocational transportation costs + homeless transportation costs + special transportation costs

## Transportation Operating Allocation

Funds for this allocation are determined by reviewing previous budgets, generating a budget, inflating it, then seeing where it lands on a need-to-need basis.



## Bus Purchase Allocations

Bus purchase allocations fall outside of the transportation allocations and are only made on a need-to-need basis.



**Year 1:** Application: Schools apply for a bus payment. Schools apply within a set window of time and any payment is a list. The schools with the greatest need receive new buses. November 1 - November 25. Approval: DOE approves bus payment. The superintendent receives an email of approval. December 30-January 15.

**Year 2:** Purchase: Districts grant a bus payment can then choose to make their payments over 1-3 years. Once granted, the payments must be made according to schedule. Schools can pay for the bus up to five years. The subsidy from the state is given at the rate the school pays for the bus, (no rebuyer may occur to ensure that the payments from the state are going directly to fund the bus).

**Year 3:** Subsidy Begins: By this time, the district has made their first payment. If the payment is paid in full, the school receives the subsidy. Example: Appleton applies to buy a bus. The state grants them funding because their bus is one of the oldest ones in Maine. The district buys the bus over a five year period. Consequently, they receive subsidy for the bus over a five year period.

What if my district pays for the bus all in one year instead of the original approved 2, 3, or 5 year plan?  
 The state of Maine grants subsidies at the rate of approved financing if the district originally planned on making the payments within a year. This is fine. However, if they did not plan on this, the state only has available the amount of subsidy allocated at the time of approval. The district in this scenario, will receive the full portion that was allocated in that first year. They will not receive the additional funding in subsequent years if paid off early.

## Section 4: Calculation of Required Local Contributions

### Looking

Looking at the funds local towns are capable of raising and the funds the government can contribute.

**1. Expenses are added up and divided within district**  
 In a district, the percentage of students per town is determined and then used to calculate what expenses each town is responsible for. Students in town.



**2. Local contributions are determined**  
 The Average Rate Multiplier is multiplied by the 100 Expenditure.

**3. Required Local contributions are subtracted from Total Allocations**

## Section 5: Adjustments made to Government Contributions

### Contributions



## Special Education Budgetary Hardship Adjustment

The special education budgetary hardship adjustment serves to support schools who gain additional students with special needs after their budget has passed.

**Qualification of Adjustment**  
 In order to qualify, schools must meet either criteria 1 or 1b as well as criteria 2. So, a school might qualify for the adjustment with 1a and 2, or 1b and 2.

**Eligibility criteria 1a:** Student's placement is a result of an appeal approved by the commissioner (pursuant to section 1205, subsection 6).

**Eligibility criteria 1b:** Student became the fiscal responsibility of the school administrative unit after the passage of that unit's budget for the current fiscal year.

**Eligibility criteria 2:** Special education budget. The school administrative unit's unapproved allowable costs result in a 5% or more increase in the percentage of the unit's special education budget category as compared to the unit's total budget excluding the debt service budget category.

**Calculation of Adjustment**  
 The adjustment is based on the costs under the following conditions:  
 A.) Reduced percentage: Special education costs that are above 5% the statewide special education EPS per-pupil rate.  
 B.) Special Education EPS per-pupil rate.  
 C.) Out-of-district placement: Special education costs above 4% the statewide special education EPS per-pupil rate.  
 D.) Special Education EPS per-pupil rate.  
 Note: Students who do not meet these requirements can be eligible to the support to determine whether or not a school is eligible for adjustment. If 12% of the relevant district meets one of these requirements, (a) or (b) or (c) or (d) no additional adjustments are made to their costs. A school might be eligible for adjustment if the percentage of students with special needs, only specific students with costs that are 5% or above the statewide special EPS per-pupil rate are used to determine the additional funding provided to the school.

Services that are provided at a public school: Occupational Therapy, Speech Therapy, Physical Therapy, Vision Services, 1:1 Instructional Aide, Behavioral Services, Social Work, Audiology Services.

## MaineCare Seed

What is MaineCare Seed? Currently when MaineCare pays a school-based claim, approximately 64% of that claim is paid by the Federal government and approximately 36% is considered a State match which the Department values to 5%.

What is the process? First, DHS estimates the need cost for school-based services, then DOE uploads the funds to DHS for the fiscal year. The Department of Education provides funds on behalf of SAUs to the Department of Health and human services for targeted seed.

The DHS provides a list of claims to the DOE and the DOE determines through enrollment who's responsible for funds... Seed is assessed quarterly and each SAU is required to review student claims (that are determined by the department to be the responsibility of the SAU).

The SAU pays for the MaineCare seed by receiving less subsidy from the state. Once the timeline expires, the SAU's subsidy is reduced by the amount for that quarter. This is shown in the ED 279, which is the portal for the EPS formula.

There are two different MaineCare reports... Services that are provided at a public school: Quarterly MaineCare Reports (July-August, September-October, November-December, January-February, March-April, May-June, July-August). Services that are provided at a private school or by a private provider: Quarterly MaineCare Reports (July-August, September-October, November-December, January-February, March-April, May-June, July-August).

To summarize... DOE uploads seed funds to DHS for school-based services. Then, DOE transfers seed through the SAU industry. MaineCare handles the government funding portion.

## Career & Technical Education Allocation

This allocation is state-side only; the funding comes primarily from the state government.

**1. Direct Instruction**  
 Teachers to teacher ratios are used to determine funding for direct instruction. Formula: (Teachers / Students) \* \$2,700 = Direct Instruction Funding. Result: \$2,700 per 8 students.

**2. Central Administration**  
 Includes: Director, Assistant Director, Business Manager, Financial Manager, Information Systems Manager, Human Resources Manager, Legal Counsel, Public Relations Manager, Safety Manager, School Nurse, School Psychologist, Social Worker, Special Education Manager, Transportation Manager, and other staff.

**3. Student and Staff Support**  
 Includes: Counselors, Coordinators, Program Transportation, and other support services.

**4. Supplies: specific amounts for specific Programs**  
 Includes: Agriculture, Art, Business, Career, CTE, Computer, Construction, Culinary Arts, Design, Digital Media, Electives, Fine Arts, Health, History, Language Arts, Math, Music, Physical Education, Science, Social Studies, Special Education, Technology, Visual Arts, and other program-specific supplies.

**5. Operations And Maintenance of Plant**  
 Calculated per average footage amount.

**Transition Period Adjustments**  
 History turns to the old model (percentage model). If the old model expenditure model is higher than current model, CTE schools get an inflated amount up to 30% - but no more than the model. If the old model expenditure model is lower than the current model, CTE schools get an inflated amount up to 30% - but no more than the model. Their budget will be gradually increased until it matches the current model.

## Section 6: Schedule

Subsidy Payments are Paid on Date Payments. Subsidy payments are paid on a monthly basis & each service is paid on a semi-monthly basis.

July-August	September-October	November-December	January-February	March-April	May-June	July-August
01	01	01	01	01	01	01