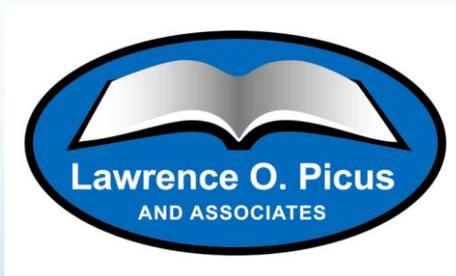


An Independent Review of Maine's Essential Programs and Services Funding Act: CWI Addendum

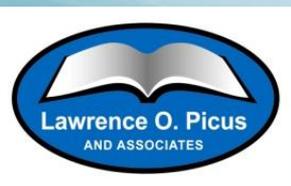
Presented to the Maine Legislature's
Joint Standing Committee on Education And Cultural Affairs
January 8, 2014

Michael Goetz
Lawrence O. Picus & Associates



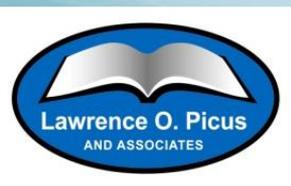
Regional Cost Indexes

- ME Regional Cost Index
 - Teacher education and tenure
- Hedonic Index
 - Controllable vs. uncontrollable factors
- Comparable Wage Index
 - Similarly skilled workforce



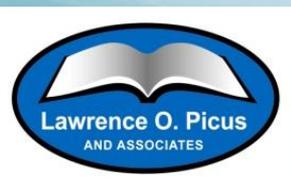
CWI in Evidence-Based Model

- Created by Dr. Lori Taylor for NCES
- Widely Accepted in Education Research
- Created for All School Districts in US
- Maine CWI
 - Normed to ME average (range of .91 to 1.11)
 - 9 SAUs could not be matched, so receive 1.0 (no adjustment)
 - 22 SAUs are the average of two or more NCES Districts (RSUs)
 - Multiplied by state average professional staff salaries
 - Cost of \$45 million



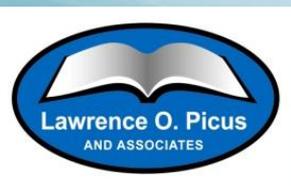
CWI Correction (part 1)

- Overall EB Model Cost: **\$361 million**
 - \$34 million, or 1.48% increase
- Overall EB Model Cost with Committee Recommendations: **\$403 million**
 - \$25 million, or 1.06% increase



CWI Correction (part 2)

- Primary Change in Model Cost Driven By Professional Positions
 - Teachers
 - Administrators
- Average EB Model Negative Effect: **\$417**/pupil (47 districts)
- Average EB Model Positive Effect: \$144/pupil (183 districts)
- Primarily High CWI SAUs Pushed Costs



Major Cost Areas of EB Model

- Move 97% to 100% EPS: \$42 million (\$0 million change)
- Economically Disadvantaged: \$124 million (\$4 million change)
- Professional Development: \$97 million (\$2 million change)
- Small District Adjustment: \$47 million (-\$1 million change)
- Pre-Kindergarten: \$10 million (\$0 million change)
- CWI (2011): \$45 million (\$34 million change)

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