



Revised School Funding Update *2018-2019*

Maine State Board of Education

February 14, 2018

2018-2019 School Funding Formula Changes

Enacted Changes via PL 2017 Chapter 284:

- 2 year October 1 pupil count average (formerly April and October average)
- PreK-K student-teacher ratio established at 15: 1 (formerly 17:1)
- System administration per pupil amount established at \$92 with additional \$46 allocated for school units participating in regional management centers
- Targeted funds for disadvantaged student programming

- Repeal of EPS Transition percentage (formerly 97%)
- Changes to special education allocation components to direct additional funds to meet needs
- 2 year average state valuation (formerly a 3 year average)

Proposed Changes:

- Program cost model for CTE (formerly expenditure model)
- Allocation of funds for CTE Middle School Programming

Increase Instructional Expenditures to Benefit Students

- Instructional Expenditure Targets Enacted via PL 2017 Chapter 284
 - FY 2018-2019 = 61%
 - FY 2019-2020 = 63%
 - FY 2020-2021 = 65%
 - FY 2021-2022 = 67%
 - FY 2022-2023 and each succeeding year = 70%

Instruction is defined as regular classroom instruction, special education instruction, CTE instruction, summer school, alternative education, co and extra curricular instruction, ELL instruction and gifted and talented instruction.

EPS Model Components

- Essential Programs and Services Components
 - Operating Costs
 - Instructional and support staff salaries and benefits
 - Per-pupil amounts included for Substitutes, Operation & Maintenance of Plant, Supplies & Equipment, System Administration, Professional Development, Instructional Leadership Support and Co-Curricular&Extra-Curricular
 - Per-pupil weights for Economically Disadvantaged (includes additional targeted weight), Limited English Proficiency, Student Assessment, Instructional Technology and K-2.
 - Isolated Small Schools adjustment
 - Other Subsidizable Costs
 - EPS Special Education Model
 - Special Education High Cost Out of District Allocation
 - EPS Transportation Operating Model
 - Bus Purchases
 - Gifted & Talented
 - CTE Middle School Programming per proposed legislation

EPS Model Components and Adjustments to State Share

- Essential Programs and Services Components
 - Debt Service
 - State Approved Major Capital Debt,
 - Lease, Lease Purchase, and Insured Value Factor Costs
 - Normalized Cost of Teacher Retirement
 - Adjustments to subsidy:
 - Minimum subsidy, minimum special education, minimum debt service and minimum economically disadvantaged adjustments
 - Education in Long-term drug treatment centers
 - Bus refurbishing
 - Maine Care Seed adjustment
 - Funding for regionalization, consolidation and efficiency
 - Enhancing Student Performance and Opportunity:
 - College transitions program through adult education
 - National Industry-standards for Career and Technical Education
 - Career and Technical Education Middle School Pilot Programs and Allocation for grades 9-12 per proposed legislation

Targeted Education Funds

- **Targeted Education Funds (formerly Miscellaneous Costs):**
 - Special Education for State Agency Clients and State Wards
 - Learning Through Technology Program
 - Postsecondary Enrollment (Aspirations) Program
 - Maine Center for the Deaf & Hard of Hearing
 - Maine School of Science & Mathematics
 - Maine School for Marine Science, Technology, Transportation and Engineering
 - Jobs for Maine Graduates
 - Special Education & Coordination of Services for Juvenile Offenders
 - Bridge Year programs for Career & Technical Education
 - EPS Data Management & Support, Transportation Administration & Training, EPS Component Review
 - Maine Education Policy Research Institute Cooperative Agreement
 - Center of Excellence for At-Risk Students
 - Community Schools per Chapter 333
 - National Board Certification Salary Supplement
 - Regional Leadership Academies per Chapter 123

Estimated EPS Model for FY2019 – assumes proposed legislation

| Preliminary Estimate Only | Estimated 100% EPS Model |
|---------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|
| Total State & Local | \$2,253,279,653 |
| Operating Costs – Salary & Benefits, Operation & Maintenance, Supplies & Equipment, Other Instructional Support | \$1,464,839,305 65.01% |
| Other Subsidizable Costs – Special Education, Transportation, Gifted & Talented | \$509,865,569 22.63% |
| Teacher Retirement – Normalized Cost | \$46,519,107 2.06% |
| Debt Service – Major Capital Construction Debt, Temporary Lease Space, Lease Purchase/Conversions | \$96,696,235 4.29% |
| Adjustments to Subsidy – Excludes Min. Subsidy, Min. Spec. Ed. Min. Debt Service & Min. Econ. Disadvantaged | \$6,547,506 .29% |
| Targeted Funds & Enhancing Student Performance – State Agency Clients & Wards, Other Targeted Funds, Enhancing Student Performance | \$128,811,931 5.72% |

Estimated State Share Percentage

| Preliminary Estimate Only | Estimated Total | Estimated State Share | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------------|--------|
| Total Cost of Funding Public Education from Kindergarten to Grade 12 for 2018-19 pursuant to 20-A MRSA Chapter 606-B | \$2,253,279,653 | \$1,115,378,083 | |
| Total cost of the state contribution to teacher retirement, teacher retirement health insurance and teacher retirement life insurance for fiscal year 2018-19 pursuant to the Maine Revised Statutes, Title 5, chapters 421 and 423 excluding the normal cost of teacher retirement. | \$181,527,833 | \$181,527,833 | |
| Total cost of funding public education from kindergarten to grade 12, State share and State share percentage pursuant to Title 20-A, section 15671, subsection 7. | \$2,434,807,486 | \$1,296,905,916 | 53.27% |

The Estimated Cost of Funding Public Education K-12 for FY 2018-19 – assumes proposed legislation

| Preliminary Estimate Only | Estimated 100% EPS |
|----------------------------------------------------------------------------------|----------------------|
| Total Operating per 20-A MRSA §15683 | \$1,464,839,305 |
| Total Other Subsidizable per 20-A MRSA §15681-A | <u>\$509,865,569</u> |
| Total Operating & Other Subsidizable | \$1,974,704,874 |
| Total Debt Service Allocation | \$96,696,235 |
| Total Normalized Cost of Teacher Retirement | \$46,519,107 |
| Total Adjustments to Subsidy (excludes Min. Adjs.) | \$6,547,506 |
| Total Enhancing Student Performance & Opportunity | \$58,950,000 |
| Total Targeted Education Funds | <u>\$69,861,931</u> |
| Total Cost of Funding Public Education from Kindergarten to Grade 12 for 2018-19 | \$2,253,279,653 |
| Total Estimated State Contribution | \$1,115,378,083 |
| Total Estimated Local Contribution 8.51 mills | \$1,137,901,570 |