



# *Commissioner's School Funding Recommendation FY 2019-2020*

Presented to  
Maine State Board of Education

February 27, 2019

# 2019-2020 Enacted School Funding Formula Changes

- Statutory per pupil amount for system administration established at \$47
- Statutory per pupil amount of \$94 allocated to 62 school administrative units which are active members among 9 regional service centers
- Property fiscal capacity will now be calculated as the average of the 3 most recent years for which certified state valuation data is available or the most recent year for which certified state valuation is available, whichever is less
- Minimum Special Education Adjustment increase from 40% to 45%

# EPS Model Components

- Essential Programs and Services Components
  - Operating Costs
    - Instructional and support staff salaries and benefits
    - Per-pupil amounts for Substitute Teachers, Operation & Maintenance of Plant, Supplies & Equipment, System Administration, Professional Development, Instructional Leadership Support and Co-Curricular & Extra-Curricular Activities
    - Per-pupil weights to provide additional student resources for Economically Disadvantaged, which includes an additional targeted weight of 5%, English Language Learners, Student Assessment, Instructional Technology, K -2 students and an adjustment for Isolated Small Schools
  - Other Subsidizable Costs
    - EPS Special Education Model
    - Special Education High Cost Out of District Allocation
    - EPS Transportation Operating Model
    - Approved Bus Purchases
    - Approved Gifted & Talented Programs

# EPS Model Components and Adjustments to State Share

- Essential Programs and Services Components
  - Debt Service
    - State Board Approved Major Capital Construction
    - Facility Lease, Lease Purchase, and Insured Value Factor Costs
  - Normalized Cost (Employer Share) 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
    - Maine Care Seed adjustment
    - Funds to support those school administrative units which are active members of Regional Service Centers
  - 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

# Targeted Education Funds

- **Targeted Education Funds:**
  - 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
  - Community Schools per Chapter 333
  - National Board Certification Salary Supplement

# Estimated EPS Model for FY2020 – assumes current law

Preliminary ED 279	Preliminary ED 279 100% EPS Model
<b>Total State &amp; Local</b>	\$2,288,878,518
Operating Costs – Salary & Benefits (including approved PK programs) Operation & Maintenance, Supplies & Equipment, Other Instructional Support	\$1,470,593,063 64.25%
Other Subsidizable Costs – Special Education, Transportation, Gifted & Talented	\$527,455,487 23.04%
Teacher Retirement – Employer Share	\$49,342,711 2.16%
Debt Service – Major Capital Construction Debt, Temporary Lease Space, Lease Purchase/Conversions	\$103,301,489 4.51%
Adjustments to Subsidy – Includes, audit adjustments, regionalization support, special education hardship adjustment	\$8,040,972 .35%
Targeted Funds & Enhancing Student Performance – Includes State Agency Clients, Career and Technical Education, Bridge Year, College Transitions	\$130,144,796 5.69%

# Estimated State Share Percentage

Preliminary Estimate Only	Estimated Total	Estimated State Share	
Total Cost of Funding Public Education from Kindergarten to Grade 12 for 2019-20 pursuant to 20-A MRSA Chapter 606-B	\$2,288,878,518	\$1,160,733,317	
Total cost of the state contribution to teacher retirement, teacher retirement health insurance and teacher retirement life insurance for fiscal year 2019-20 pursuant to the Maine Revised Statutes, Title 5, chapters 421 and 423 excluding the normal cost of teacher retirement.	\$224,008,451	\$224,008,451	
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.	\$2,512,886,969	\$1,384,741,768	<b>Meets 55% target per 20-A §15671-7 (C)</b>

# The Estimated Cost of Funding Public Education K-12 FY 2019-20 assumes current law

Preliminary ED 279 Estimate Only	Preliminary ED 279100% EPS
Total Operating per 20-A MRSA §15683	\$1,470,593,063
Total Other Subsidizable per 20-A MRSA §15681-A	<u>\$527,455,487</u>
Total Operating & Other Subsidizable	\$1,998,048,550
Total Debt Service Allocation	\$103,301,489
Total Normalized Cost of Teacher Retirement	\$49,342,711
Total Adjustments to Subsidy (excludes Min. Adjs.)	\$8,040,972
Total Enhancing Student Performance & Opportunity	\$54,575,005
Total Targeted Education Funds	<u>\$75,569,791</u>
Total Cost of Funding Public Education from Kindergarten to Grade 12 for 2019-20	\$2,288,878,518
Total Estimated State Contribution	\$1,160,733,317
Total Estimated Local Contribution 8.28 mills	\$1,128,145,201

# Comparison of the estimated cost of funding public education K-12 FY 2019-20 to PL 2017 Chapter 460 for FY 2018-2019

ED 279 Category	Preliminary FY 20	Enacted FY 19
Total Operating per 20-A MRSA §15683	\$1,470,593,063	\$1,463,639,305
Total Other Subsidizable per 20-A MRSA §15681-A	<u>\$527,455,487</u>	<u>\$509,865,569</u>
Total Operating & Other Subsidizable	\$1,998,048,550	\$1,973,504,874
Total Debt Service Allocation	\$103,301,489	\$96,696,235
Total Normalized Cost of Teacher Retirement	\$49,342,711	\$46,519,107
Total Adjustments to Subsidy (excludes Min. Adjs.)	\$8,040,972	\$6,547,506
Total Enhancing Student Performance & Opportunity	\$54,575,005	\$56,450,000
Total Targeted Education Funds	<u>\$75,569,791</u>	<u>\$69,861,931</u>
Total Cost of Funding Public Education from Kindergarten to Grade 12	\$2,288,878,518	\$2,249,579,653
Total State Contribution	\$1,160,733,317	\$1,115,378,083
Total Local Contribution Mill Expectation	\$1,128,145,201 8.28	\$1,134,201,570 8.48