

**Title: Resolve, To Establish a Commission to Strengthen the Adequacy and Equity of Certain Cost Components of the School Funding Formula**

**Sec. 1. Commission established. Resolved:** That, notwithstanding Joint Rule 353, the Commission to Strengthen the Adequacy and Equity of Certain Cost Components of the School Funding Formula, referred to in this resolve as “the commission,” is established; and be it further

**Sec. 2. Commission membership. Resolved:** That the commission shall consist of 17 members:

1. Two members of the Senate, who serve on the Joint Standing Committee on Education and Cultural Affairs, appointed by the President of the Senate, including one member of the party holding the highest number of seats and one member of the party holding the 2nd highest number of seats;

2. Three members of the House of Representatives, who serve on the Joint Standing Committee on Education and Cultural Affairs, appointed by the Speaker of the House, including 2 members of the party holding the highest number of seats and 1 member of the party holding the 2nd highest number of seats;

3. The Commissioner of Education or the Commissioner’s designee;

4. The Chair of the State Board of Education or the Chair’s designee;

5. Ten members with extensive knowledge of public education and school finance policies in the State, including:

A. One person representing the Maine Education Association, appointed by the President of the Senate;

B. One person representing the Maine Principals Association, appointed by the Speaker of the House;

C. One person representing the Maine School Boards Association, appointed by the President of the Senate;

D. One person representing the Maine School Superintendents Association, appointed by the Speaker of the House;

E. One person representing the Maine Administrators of Services for Children with Disabilities, appointed by the President of the Senate;

F. One person representing the Maine Association of School Business Officials, appointed by the Speaker of the House;

G. One person representing the Maine Small Schools Coalition, appointed by the President of the Senate;

H. One person representing the Maine Children’s Growth Council, appointed by the Speaker of the House;

I. One person representing the Educate Maine appointed by the President of the Senate; and

J. One person representing the Maine Municipal Association, appointed by the Speaker of the House; and be it further

**Sec. 3. Chairs. Resolved:** That the first-named Senate member is the Senate chair and the first-named House of Representatives member is the House chair of the commission; and be it further

**Sec. 4. Appointments; convening of commission. Resolved:** That all appointments must be made no later than 30 days following the effective date of this resolve. The appointing authorities shall notify the Executive Director of the Legislative Council once all appointments have been completed. Within 15 days after appointment of all members, the chairs shall call and convene the first meeting of the commission, which must be no later than 30 days following the appointment of all members; and be it further

**Sec. 5. Duties. Resolved:** That the commission shall hold no more than 6 meetings. The commission shall examine the reports and related work products presented to the Joint Standing Committee on Education and Cultural Affairs during the 126<sup>th</sup> Legislature as part of the independent review of the Essential Programs and Services Funding Act and shall develop a plan to strengthen the adequacy and equity of the following cost components included in the Essential Programs and Services Funding Act and other related education statutes.

**1. Public preschool programs for 4-year old children.** The commission shall include the following factors as part of the review and analysis of public preschool programs for 4-year old children:

- A. Review the work products and any proposed rules developed by the Department of Education work group to implement quality standards of practice for Maine public preschool programs, including an analysis of the standards proposed to address quality, consistency and collaboration of public preschool programs with other early childhood and pre-school programs;
- B. Conduct an analysis of the targeted funds for public preschool to grade 2 students that are allocated specifically for preschool students; and conduct an analysis of the projected costs for providing public preschool programs for all eligible 4-year olds in the State;
- C. Review the current method for calculating the number of public preschool students enrolled in a school administrative unit's pupil preschool program; and conduct an analysis of the projected costs for amending the current method for calculating the number of public preschool students that counts each public preschool student as a 0.5 FTE student for the first year and a full 1.0 FTE student beginning in the second year to a new method that counts each public preschool student as a full 1.0 FTE student for the first year and subsequent years; and
- D. Collect and review information on the physical space and facility capacity of school administrative units and project the school facility costs necessary to implement public preschool programs for eligible 4-year olds in the State;

**2. Support for economically-disadvantaged students, including Title I funds and extra help for struggling students.** The commission shall include the following factors as part of the review and analysis of the cost components related to strengthening support for economically-disadvantaged students, including the provision of Title I funds and resources to provide extra help for struggling students such as extended school days and summer school programs:

- A. Collect school administrative unit spending data on the number of Title I teachers and education technicians in order to update the "staffing ratios" in the Essential Programs and Services funding

formula;

- B. Conduct an analysis of the updated data collected on student-teacher and student-education technician “staffing ratios” in the Essential Programs and Services funding formula, in order to separate the groups of teachers into the following categories: classroom teachers; Title I teachers; and teacher leaders or instructional coaches;
- C. Develop a plan for adjusting the costs of the Essential Programs and Services funding formula to account for the separate costs of classroom teachers, Title I teachers, education technicians, and teacher leaders or instructional coaches;
- D. Conduct research and analysis of the structures, programs, costs and achievement impacts of examples in other states of evidence-based practices related to extended school day and summer school programs; and also analyze examples of extended school day and summer school programs provided by school administrative units in the State;
- E. Develop two or more models for funding and evaluating extended school day and summer school programs for inclusion in the Essential Programs and Services funding formula; and
- F. Project the financial impact of these adjustments to the Essential Programs and Services funding formula;

**3. Professional development and collaborative time needed to implement proficiency-based learning.**

The commission shall include the following factors as part of the research and analysis of the cost components related to strengthening support for professional development, collaborative time to implement proficiency-based learning, and teacher leaders or instructional coaches, including the following aspects of these components:

- A. Collect school administrative unit spending data on professional development programs and collaborative time for teachers, as well as the school administrative unit spending data on teacher leaders or instructional coaches in order to update the staffing ratios in the Essential Programs and Services formula;
- B. Establish a dedicated funding mechanism and process, such as a supplemental professional development “block grant” program, that allows the Department of Education to provide funding to school administrative units that submit proposals to secure professional development funds;
- C. Create a standards-based inventory of effective professional development programs and strategies that school administrative units may select in order to receive supplemental professional development “block grant” funds; and
- D. Develop an implementation plan for increasing the allocation of funds for professional development, collaborative time for teachers, and teacher leaders (or instructional coaches); and include provisions in the implementation plan to monitor the use of these funds by school administrative units;

**4. Regional cost adjustment for teacher salaries.** The commission shall include the following factors as part of the research and analysis of the cost components related to the regional cost adjustment for teacher salaries:

- A. Collect and update school administrative unit data included in the regional adjustment for teacher salaries;

- B. Re-calculate the regional adjustments using the most recent teacher salary data available and conduct analyses using the 35 labor market areas currently included in the Essential Programs and Services funding formula and using the 31 labor market areas developed by the Maine Department of Labor; and
- C. Conduct research and analysis of the strategies used in other states to address teacher salary gaps in school districts across the state;

**5. Debt service for locally-approved school construction projects in the required local share of school funding.** The commission shall include the following factors as part of the research and analysis of the cost components related to debt service for locally-approved school construction projects in the required state and local shares of school funding:

- A. Review the statutory provisions related to determination of debt service costs that are included and excluded from the school construction projects that are recognized in the required state and local shares of school funding;
- B. Review school administrative unit data related to energy and other costs related to minor capital improvement funds (defined in 20-A, section 15672, subsection 20-A); and
- C. Review the statutory provisions related to the school revolving renovation fund;

**6. Special education allocation for minimum receivers.** The commission shall review the statutory provisions that reduce the special education allocations for minimum subsidy receivers from 100% to 30% of special education costs; and the commission shall develop one or more models to align the special education allocations for minimum subsidy receivers with the progress of state funding levels necessary to progress towards meeting the statutory obligation to fund 55% of total cost of education statewide; and

**7. State contributions to fund the cost of the unfunded actuarial liability for retired teachers.** The commission shall review the statutory provisions that recognize the state contributions to fund the cost of the unfunded actuarial liability for retired teachers; and the commission shall make recommendations on whether the calculation of the state share percentage of the total cost of funding public education from kindergarten to grade 12 as required by the Essential Programs and Services Funding Act should continue to include the state contributions to fund the cost of the unfunded actuarial liability for retired teachers; and be it further

**Sec. 6. Contract to review essential programs and services components. Resolved:** That, notwithstanding the Maine Revised Statutes, Title 20-A, section 15689-A, subsection 3, for fiscal year 2014-15, the Commissioner of Education shall contract with a statewide education research institute to review the cost components of the Essential Programs and Services Funding Act and related education statutes pursuant to section 5 of this resolve. The commissioner may not contract with a statewide education research institute to review certain cost components of the Essential Programs and Services Funding Act in accordance with the schedule established in Title 20-A, section 15686-A; and be it further

**Sec. 7. Contract for education research institute. Resolved:** That, notwithstanding the Maine Revised Statutes, Title 20-A, section 15689-A, subsection 6, for fiscal year 2014-15, the Commissioner of Education and the Legislature may contract with a statewide education research institute in accordance with Title 20-A, section 10 if funds are required in addition to the funds provided pursuant to section 6 of this resolve for the compilation and analysis of education data necessary to fulfill the duties established pursuant to section 5 of this resolve. The contract authorized in accordance with Title 20-A, section 15689-A, subsection 6 for fiscal year 2014-15 may not exceed the balance of funds remaining after funds are allocated for this purpose; and be it further

**Sec. 8. Staffing assistance; information. Resolved:** That the Department of Education and the Education Research Institute established pursuant to the Maine Revised Statutes, Title 20-A, section 10 shall provide staffing assistance to the commission. The Department of Education and the Education Research Institute established pursuant to the Maine Revised Statutes, Title 20-A, section 10 shall provide the commission with access to previous reports on school funding in the State and access to database information necessary to carry out the duties pursuant to section 5. The Office of Policy and Legal Analysis shall provide drafting assistance to the commission; and be it further

**Sec. 9. Report; recommendations. Resolved:** That the commission shall submit a report containing their findings and recommendations pursuant to section 5, including any necessary implementing legislation, to the Joint Standing Committee on Education and Cultural Affairs by December 9, 2014. The joint standing committee having jurisdiction over education and cultural affairs may submit a bill related to this report to the First Regular Session of the 127<sup>th</sup> Legislature.

## SUMMARY

This resolve is reported out by the Joint Standing Committee on Education and Cultural Affairs pursuant to Resolve 2011, chapter 166, section 8. As required by the resolve, the qualified research entity selected to conduct the independent review of the Essential Programs and Services School Funding Act submitted a final report to the committee that included findings, conclusions and recommendations regarding changes to the Essential Programs and Services School Funding Act.

The resolve establishes the Commission to Strengthen the Adequacy and Equity of Certain Cost Components of the School Funding Formula. The commission is directed to examine the reports and related work products presented to the Joint Standing Committee on Education and Cultural Affairs during the 126<sup>th</sup> Legislature as part of the independent review of the Essential Programs and Services Funding Act and to develop a plan to strengthen the adequacy and equity of the following cost components of the Essential Programs and Services Funding Act and related education statutes:

1. Public preschool programs for 4-year old children;
2. Support for economically-disadvantaged students, including Title I funds and extra help for struggling students;
3. Professional development and collaborative time needed to implement proficiency-based learning;
4. Regional cost adjustment for teacher salaries;
5. Debt service for locally-approved school construction projects in the required local share of school funding;
6. Special education allocation for minimum receivers; and
7. State contributions to fund the cost of the unfunded actuarial liability for retired teachers.

The commission is required to submit a report to the joint standing committee with jurisdiction over education matters of the 127<sup>th</sup> Legislature. The report submitted by the commission shall include finding, recommendations and any necessary implementing legislation to propose changes to Title 20-A, Chapter 606-B and related education statutes related to the Essential Programs and Services Funding Act. The joint standing committee having jurisdiction over education and cultural affairs may submit a bill related to this report to the First Regular Session of the 127<sup>th</sup> Legislature.