



# Essential Programs and Services Overview

State Board of Education  
Department of Education Briefing  
January 14, 2015

## BACKGROUND ON THE ESSENTIAL PROGRAMS AND SERVICES FUNDING FORMULA

The Essential Programs and Services (EPS) Funding formula was developed by the Maine State Board of Education's Committee to Study Essential Programs & Services and School Funding and enacted into law in 2003 (Public Law 2003, chapter 504). EPS was a significant change from prior funding formulas, which were driven by prior expenditures, i.e., the more school districts spent, the more state funds they were likely to receive, all other factors remaining constant.

By contrast, the EPS formula was designed to estimate how much money a school district needed to fund its essential programs and services (its allocation), as determined by research-based information. The total amount that the district should need for these programs and services is called the "total allocation" for the district.

## BACKGROUND ON THE ESSENTIAL PROGRAMS AND SERVICES FUNDING FORMULA

Many elements are used in determining the total allocation – including the number of students in the school; the status of the students as

- English language learners, economically disadvantaged students or students with special needs;
- the level of teacher salaries compared to other areas of the state; the state-established ratios of students to teachers, administrators, educational specialists and others, to name just a few.

Each of the elements are reviewed on a three year cycle to determine whether they represent an accurate picture of the cost of essential programs and services in Maine public schools.

## BACKGROUND ON THE ESSENTIAL PROGRAMS AND SERVICES FUNDING FORMULA

Another aspect of the school funding system in Maine is the method of dividing the allocation between state and local shares. That distribution methodology is not technically part of EPS formula, but it is a critical factor in the total school funding formula. Once the total allocation is determined, it is divided into a state contribution and a local contribution. This is done by calculating how much the local district can raise by applying a mil rate, set by the state, against the certified State property valuation of the district. The portion of the allocation that is not raised by applying that mil rate is the amount that the state provides to the district. The mil rate used for this purpose is determined by dividing the total statewide property valuation into the total amount of funds that will be available from the State for distribution under EPS to school administrative units.

Source: Report of the Commission to Study the Adequacy and Equity of Certain Cost Components of the School Funding Formula – January 2014

# EPS Per-Pupil Rates

Elementary and secondary per-pupil rates are calculated for each school district. Elements used in this calculation:

- Number of students attending the schools in the district
- Staff Positions:
  - Number of teachers, education technicians, principals and other staff.
  - Experience and education level for the staff
  - Ratios of students to staff established in law.
  - Salary matrixes
- Percentages for benefits
- Other Support Per-Pupil Costs (Supplies, Prof. Development, System Administration, Operation & Maintenance of Buildings, etc.)
- Other Adjustments.

# ED279 – Section 1 Computation of EPS Rates

ED 279 External

STATE OF MAINE DEPARTMENT OF EDUCATION  
AUGUSTA 04333

4/17/2014

## STATE CALCULATION FOR FUNDING PUBLIC EDUCATION (PreK-12) REPORT

ORG ID : 1229

RSB 95/MSAD 95

2014 - 2015

Section : 1

### Section 1: Computation of EPS Rates

A) Attending Counts		PreK-5	6-8	PreK-8	9-12	Total								
1) Attending Pupils (April 2013)		1,040.0 +	552.0	=	1,592.0 +	717.0	=	2,309.0						
2) Attending Pupils (October 2013)		1,045.0 +	535.0	=	1,580.0 +	745.0	=	2,325.0						
3) Average Pupils Calendar Year Average		1,042.5 +	543.5	=	1,586.0 +	751.0	=	2,337.0						
					68 %			32 %	100%					
B) Staff Positions		PreK-5 EPS FTE	Student to Staff	6-8 EPS FTE	Student to Staff	9-12 EPS FTE	Student to Staff	EPS FTE Total	Actual FTE Total	% Of EPS	SAU Data in EPS Month	Adjusted EPS Salary	Elementary Salary	Secondary Salary
1) Teachers		61.3	(17:1) +	34.0	(16:1) +	48.7	(15:1) +	144.0 +	146.1 =	0.99 x	7,756,516 =	7,678,951 =	5,221,687	2,457,264
2) Guidance		3.0	(350:1) +	1.6	(350:1) +	2.9	(250:1) +	7.5 +	9.0 =	0.83 x	461,827 =	383,516 =	260,655	122,661
3) Librarians		1.5	(800:1) +	0.7	(800:1) +	0.9	(800:1) +	2.9 +	1.0 =	2.90 x	51,314 =	148,811 =	101,191	47,620
4) Health		1.5	(800:1) +	0.7	(800:1) +	0.9	(800:1) +	2.9 +	5.0 =	0.58 x	257,742 =	149,490 =	101,653	47,837
5) Education Techns		10.4	(100:1) +	5.4	(100:1) +	2.9	(250:1) +	18.7 +	10.8 =	1.73 x	214,710 =	371,448 =	252,585	118,863
6) Library Techns		2.1	(500:1) +	1.1	(500:1) +	1.5	(500:1) +	4.7 +	5.0 =	0.94 x	102,640 =	96,482 =	65,506	30,674
7) Clerical		5.2	(200:1) +	2.7	(200:1) +	3.7	(200:1) +	11.6 +	13.0 =	0.89 x	402,135 =	357,900 =	249,572	114,528
8) School Admin.		3.4	(305:1) +	1.8	(305:1) +	2.3	(315:1) +	7.5 +	9.0 =	0.83 x	755,638 =	627,180 =	426,482	200,698
C) Computation of Benefits:		Percentage		Elementary Salary		Secondary Salary				Elementary Benefits		Secondary Benefits		
1) Teachers, Guidance, Librarians & Health		19.00%	X	5,685,186 =		2,675,382					1,080,185	508,323		
2) Education & Library Technicians		36.00%	X	318,193 =		149,737					114,549	53,905		
3) Clerical		29.00%	X	249,372 =		114,528					70,578	33,213		
4) School Administrators		14.00%	X	426,482 =		200,698					59,707	28,098		
D) Other Support Per-Pupil Costs:		PreK-8	9-12	Elementary Students		Secondary Students				Elementary Support		Secondary Support		
1) Substitute Teachers (1/2 Day)		39	39 X	1,586.0 =		731.0					61,854	28,509		
2) Supplies and Equipment		355	490 X	1,586.0 =		731.0					563,030	356,190		
3) Professional Development		61	61 X	1,586.0 =		731.0					96,746	44,591		
4) Instructional Leadership Support		25	25 X	1,586.0 =		731.0					39,650	18,275		
5) Co- and Extra-Curricular Student		96	117 X	1,586.0 =		731.0					57,096	85,527		
6) System Administration/Support		225	225 X	1,586.0 =		731.0					356,850	164,475		
7) Operations & Maintenance		1039	1235 X	1,586.0 =		731.0					1,647,854	902,785		
E) Other Adjustments:						Regional Index =		1.06						
1) Regional Adjustment for Staff & Substitute Salaries											404,105	190,131		
2) Adjustment for Title I Revenues											-103,048	-48,483		
<b>Section 1: Totals</b>												11,122,389	5,507,874	
Divided by Attending Pupils:												+	1,586.0	731.0
Calculated EPS Rates Per Pupil:												=	7,013	7,555

Preliminary Enacted – Adjustments will be made to these printouts throughout FY 15

# Operating Cost Allocations

## Key components for operating allocations

- Subsidizable student counts: PreK-8, 9-12, Adult Ed course counts, equivalent instruction;
- Weighted student Counts: Economically Disadvantaged, Limited English Proficient (English Language Learners);
- Targeted Funds: Assessment (Standards Based Learning), Technology Resources (one-to-one computing) and PreK-2.
- Isolated Small School Adjustments

# ED279 – Section 2 Operating Cost Allocations

4/17/2014

ED 279 External      STATE OF MAINE DEPARTMENT OF EDUCATION  
AUGUSTA 04333

STATE CALCULATION FOR FUNDING PUBLIC EDUCATION (PreK-12) REPORT

ORG ID - 1229	RSU IS/MSAO IS	2014 - 2015
Section 2: Operating Cost Allocations		Section : 2
A) Subsidizable Pupils ( Includes Suprintendent Transfers )		
1)	April 2011	K-8      9-12      Total
2)	October 2011	1,710.0 + 724.0 = 2,434.0
3)	April 2012	1,627.0 + 735.0 = 2,362.0
4)	October 2012	1,644.0 + 718.0 = 2,362.0
5)	April 2013	1,591.0 + 721.0 = 2,312.0
6)	October 2013	1,592.0 + 715.0 = 2,307.0
		1,580.0 + 744.0 = 2,324.0
B) Basic Counts		
1)	PreK-8 Pupils	Ave. Calendar Year Pupils      Declining Enrollment      SAU EPS Rates from Page 1      Basic Cost Allocations
2)	9-12 Pupils	1,586.0 + 38.00 X      7,013 = 11,889,112.00
3)	Adult Education Courses et. 1	729.5 + 0.00 X      7,535 = 5,496,782.50
4)	PreK-8 Equiv. Instruction Pupils	5.4 X      7,535 = 40,689.00
5)	9-12 Equiv. Instruction Pupils	0.125 X      7,013 = 876.65
		0.300 X      7,535 = 3,767.50
C) Weighted Counts		
1)	PreK-8 Disadvantaged @ 0.2253	Pupils      EPS Weights      SAU EPS Rates from Page 1      Weighted Cost Allocations
2)	9-12 Disadvantaged @ 0.2253	357.3 X      0.15 X      7,013 = 375,861.74
3)	PreK-8 Limited English Prof.	164.4 X      0.15 X      7,535 = 185,813.10
4)	9-12 Limited English Prof.	8.0 X      X      7,013 = 39,272.80
		4.0 X      X      7,535 = 21,098.00
D) Targeted Funds		
1)	PreK-8 Student Assessment	Pupils      EPS Weights      EPS Targeted Amount      Targeted Cost Allocations
2)	9-12 Student Assessment	1,586.0 X      X      45.00 = 71,370.00
3)	PreK-8 Technology Resources	729.5 X      X      45.00 = 32,827.50
4)	9-12 Technology Resources	1,585.0 X      X      100.00 = 158,600.00
5)	PreK-2 Pupils	729.5 X      X      305.00 = 221,038.50
		548.0 X      0.10 X      7,013 = 384,932.40
E) Isolated Small School Adjustment		
1)	PreK-8 Small School Adjustment	= 0.00
2)	9-12 Small School Adjustment	= 0.00
Section 2: Operating Allocation Totals		= 18,421,421.67
Percentage of EPS Transition Amount:		X 97.00%
Adjusted Total Operating Allocation Amount:		= 17,858,779.02

Preliminary Enacted – Adjustments will be made to these printouts throughout FY 15



# Other Allocations

## Key components for other allocations

- Other Subsidizable Costs
  - Approved Gifted & Talented programs;
  - Approved Career and Technical Education programs;
  - Special Education – EPS Allocation;
  - Transportation Operating – EPS Allocation;
  - Approved Bus Payments
- Teacher Retirement – Normalized Cost
- Debt Service Allocations
  - Principal & Interest Payments approved for subsidy purposes
  - Approved Leases
  - Insured Value Factor

# ED279 – Section 3 Other Allocations

ED 279 External		STATE OF MAINE DEPARTMENT OF EDUCATION AUGUSTA 04333		4/17/2014		
STATE CALCULATION FOR FUNDING PUBLIC EDUCATION (PreK-12) REPORT						
ORG ID : 1229		RSU 35/MSAD 35		2014 - 2015		
Section 3: Other Allocations			Section : 3			
A) Other Subsidizable Costs						
		Base Year Expenditure	Inflation Adjustment			
1)	Gifted & Talented Expenditures from 2012 - 2013	140,916.15	X 101.50%	=	143,029.89	
2)	Career & Technical Education Expenditures from 2012 - 2013	140,274.64	X 101.50%	=	142,378.76	
3)	Special Education - EPS Allocation		X	=	3,070,162.70	
4)	Transportation Operating - EPS Allocation		X	=	1,452,930.11	
5)	Approved Bus Payments for 2013 - 2014		X	=	88,511.80	
				Total Other Subsidizable Costs	4,897,353.26	
B) Teacher Retirement Amount (Normalized Cost)						
					358,738.69	
Total Adjusted Operating Allocation (Page 2) plus Total other Subsidizable Costs plus Teacher Retirement					23,124,871.77	
C) Debt Service Allocations						
1)	Town / District	Payment Date	Name of Project	Principal	Interest	Total
	SAD 85	11/01/2014	MARSHWOOD HS	1,139,698.50	86,924.52	1,226,623.02
		05/01/2015	MARSHWOOD HS	0.00	91,968.45	91,968.45
2)	Total Debt Service Principal & Interest Payments			1,139,698.50	178,892.97	1,318,591.47
3)	Approved Lease for 2013 - 14					0.00
4)	Approved Lease Purchase for 2013 - 14 for					0.00
				Total Debt Service Allocation		1,318,591.47
Section 3 : Total Combined Allocations (Page 2 Adjusted Total plus Other Subsidizable plus Debt Service)						24,443,463.24

Preliminary Enacted – Adjustments will be made to these printouts throughout FY 15

# State and Local Shares

Key components for determining State and Local shares

- Subsidizable Student Counts
- Allocations
  - Operating Allocation
  - Other Subsidizable Cost Allocation
  - Teacher Retirement Allocation
  - Debt Service Allocation
- Fiscal Capacity – State Valuation
- Mill Expectation

# ED279 – Section 4 Calculation of Required Local Contribution – Mill Expectation

4/17/2014

ED 279 External      STATE OF MAINE DEPARTMENT OF EDUCATION  
AUGUSTA 04333

**STATE CALCULATION FOR FUNDING PUBLIC EDUCATION (PreK-12) REPORT**

ORIS ID : 1229      RSU 45/MSAD 35      2014 - 2015

Section 4: Calculation of Required Local Contribution - Mill Expectation

A) Subsidizable Pupils (Excludes Superintendent Transfers for SADs, RSUs & CSDs) by Member Municipality

Member Municipality	Average Calendar Year Subsidizable Pupils	Percentage of Total Pupils	Oper., Othr Sub. & Tchr. Ret. Allocation Distribution	Municipal Debt Allocation Distribution	Total Municipal Allocation Distribution as a Percentage of Pupils
Elliot	980.5	42.53%	9,855,007.96 +	560,796.95 =	10,395,804.91
South Berwick	1325.0	57.47%	13,289,865.81 +	757,794.52 =	14,047,658.33
<b>Total</b>	<b>2,305.5</b>	<b>100.00%</b>	<b>23,124,871.77</b>	<b>1,318,591.47</b>	<b>24,443,463.24</b>

B) State Valuation by Member Municipality

Member Municipality	2012 - 2013 Average State Valuation	Mill Expectation	Total Municipal Allocation Distribution per Valuation x Mill Expectation
Elliot	828,000,000	8.10	6,706,800.00
South Berwick	660,750,000	8.10	5,352,075.00
<b>Total</b>	<b>1,488,750,000</b>		<b>12,058,875.00</b>

C) Required Local Contribution = the lesser of the previous two calculations:

Member Municipality	Total Allocation by Municipality	Required Local Contribution by Municipality	Rate	Calculated Mill	State Contribution by Municipality (Prior to adjustments)
Elliot	10,395,804.91 -	6,706,800.00		8.10	3,689,004.91
South Berwick	14,047,658.33 -	5,352,075.00		8.10	8,695,583.33
<b>Total</b>	<b>24,443,463.24 -</b>	<b>12,058,875.00</b>			<b>12,384,588.24</b>

Preliminary Enacted – Adjustments will be made to these printouts throughout FY 15

# ED279 – Section 5 Totals and Adjustments

ED 279 External		STATE OF MAINE DEPARTMENT OF EDUCATION AUGUSTA 04333			4/17/2014
ORG ID : 1229		STATE CALCULATION FOR FUNDING PUBLIC EDUCATION (PreK-12) REPORT			2014 - 2015
		RSU 85/MKAD 85			
Section : 5					
Section 5: Totals and Adjustments					
		Total Allocation	Local Contribution	State Contribution	
A) Total Allocation, Local Contribution, and State Contribution		24,443,463.24	12,058,875.00	12,384,588.24	
Totals after adjustment to Local and State Contributions		24,443,463.24	12,058,875.00	12,384,588.24	
B) Other Adjustments to State Contribution					
1) Plus Audit Adjustments				0.00	
2) Less Audit Adjustments				0.00	
3) Less Adjustment for Unappropriated Local Contribution				0.00	
4) Less Adjustment for Unallocated Balance in Excess of 3%				0.00	
5) Plus Long-Term Drug Treatment Centers Adjustment				0.00	
6) Regionalization and efficiency assistance				0.00	
7) Bus Refurbishing Adjustment				0.00	
8) Less MaineCare Seed - Private				0.00	
9) Less MaineCare Seed - Public				0.00	
Adjusted State Contribution		24,443,463.24	12,058,875.00	12,384,588.24	
Local and State Percentages Prior to Adjustments:					
		Local Share % = 49.33 %	State Share % = 50.67 %		
Local and State Percentages After Adjustments:					
		Local Share % = 49.33 %	State Share % = 50.67 %		
FVI : 100% EPS Allocation					
		24,996,105.89			
F. Adjusted Local Contribution by Town					
***** WARRANT ARTICLE *****					
Member Municipality		Total Allocation Adjustment	Local Contribution Adjustment	Percentage	Mill Rate
Eliot		10,995,804.91	6,706,800.00	55.62%	8.10
South Berwick		14,047,658.33	5,352,075.00	44.38%	8.10
TOTAL		24,443,463.24	12,058,875.00	100.00%	
Preliminary Enacted – Adjustments will be made to these printouts throughout FY 15					

# Adjustments

List of possible adjustments:

- Minimum Subsidy Adjustment
- Minimum Special Education Adjustment
- Adjustment for Debt Service
- Minimum Economically Disadvantaged Student Adjustment
- Audit Adjustments
- Adjustment for Unappropriated Local Contribution
- Long-Term Drug Treatment Centers Adjustments
- Bus Refurbishing Adjustment
- MaineCare Seed Adjustment

# Other Resources

- Essential Programs & Services website:
  - <http://www.maine.gov/education/data/eps/epsmenu.htm>
- Subsidy Printouts (ED279) for school districts:
  - <http://www.maine.gov/doe/eps/>
- Law: 20-A MRSA Chapter 606-B:
  - <http://www.mainelegislature.org/legis/statutes/20-A/title20-Ach606-Bsec0.html>