



# Essential Programs and Services Overview

Joint Standing Committee  
Education and Cultural Affairs  
Department of Education Briefing  
February 1, 2021



## BACKGROUND OF THE ESSENTIAL PROGRAMS AND SERVICES FUNDING FORMULA

- ❖ Essential Programs and Services (EPS) is designed to ensure that all schools have the programs and resources that are essential for all students to have an equitable opportunity to achieve Maine's Learning Results.
- ❖ The EPS model provides a basis for adequacy and greater equity in the funding of PreK-12 education because it is cost driven instead of expenditure driven.
- ❖ The model is designed to respond to student needs and is based on years of research and information gleaned from high performing cost effective school units.

# How does the State determine what funds are needed for school districts?

- Essential Programs & Services formula (EPS)
  - An **adequacy** funding model
  - Provides funding **equity** statewide
  - Utilizes data (information) provided by each school district
  - Accounts for school district characteristics (populations)
  - Distributes shares between school district members and the state
  - Establishes monthly state payment schedule
  - Required by state statute to be reported out to school districts by Feb 1 of prior fiscal year
  - Reported out to school districts on **ED279 reports**

# What EPS is NOT?



A prescription for how funds should be spent.



The decisive amount to be spent on education in a school district.



How funds are budgeted and spent on public education is a local decision.



How much to budget and spend on public education is a local decision.

# Why EPS?



The EPS formula provides the state with a mechanism for establishing a *minimum* sufficient funding level for achieving the state learning results and an equitable way to *distribute* the funding responsibility between local communities and the state.

**equality**

**equity**

**Equality = SAMENESS**

**Equity = FAIRNESS**

Equality is about SAMENESS, it promotes fairness and justice by giving everyone the same thing.

EQUITY is about FAIRNESS, it's about making sure people get access to the same opportunities.

BUT it can **only work IF everyone starts from the SAME place**, in this example equality only works if everyone is the same height.

Sometimes our differences and/or history, can create barriers to participation, so we must **FIRST ensure EQUITY** before we can enjoy equality.



# How much pie do you need and/or have to distribute?



# Essential Programs & Services

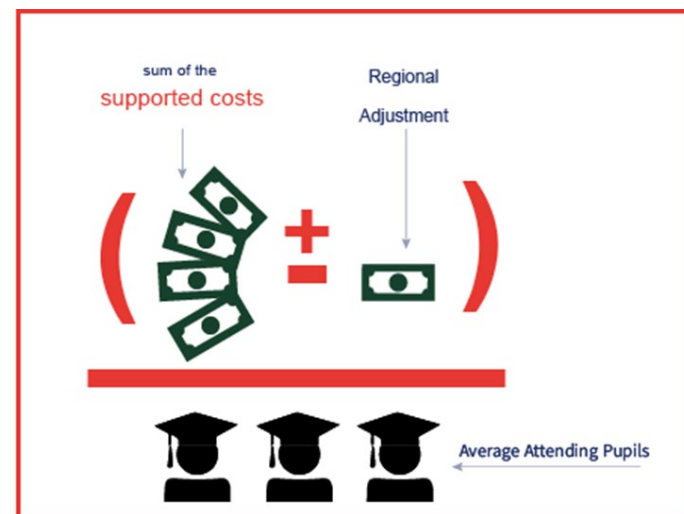


- ED 279 Section 1: **Computation of EPS Rates**
- ED 279 Section 2: **Finding the Basic Operating Cost Allocations**
- ED 279 Section 3: **Finding the Additional Operating Cost Allocations**
- ED 279 Section 4: **Calculation of Required Local Contribution**
- ED 279 Section 5: **Adjustments made to State & Local Contributions**
- ED 279 Section 6: **Schedule of Payments**

# EPS Per-Pupil Rates – ED 279 Section 1

Elementary and secondary per-pupil rates are calculated for each school district; which is the per pupil rate of a student that needs no supplementary support. Elements used in this calculation:

- ❖ Number of students **attending** the schools in the district
- ❖ EPS Staff Positions:
  - Experience and education level of staff
  - Ratios of students to staff
  - Salary matrixes  
(using State average salaries)
- ❖ Percentages for benefits
- ❖ Other Support Per-Pupil Costs
- ❖ Regional Adjustments

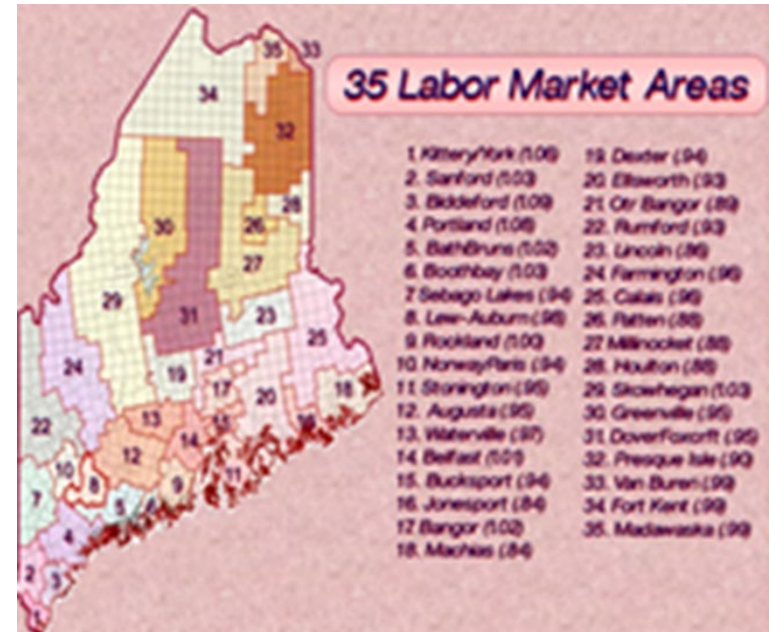




# EPS Per-Pupil Rates – ED 279 Section 1

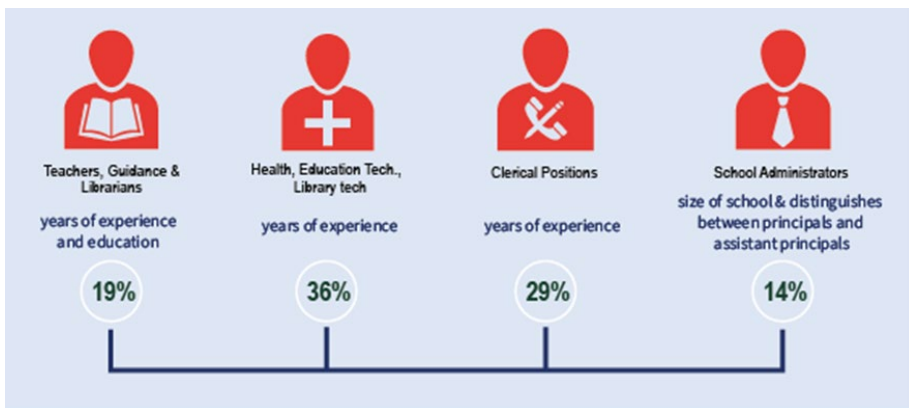
## ❖ Regional Adjustments

- The regional index is a factor using the 35 Labor Market Areas to account for variations in Income Levels and the Cost of living throughout the State of Maine; and the fact that we are using an Average Salary Scale for the entire State when determining the amount of salary to allow in the EPS calculation.



# EPS Per-Pupil Rates – ED 279 Section 1

- 2-year average **attending** students by grade level used to determine necessary staffing levels for:



- Other School Level Costs:



# Operating Cost Allocations – ED 279 Section 2

## Key components for operating allocations

### ❖ Subsidizable student counts:

- 4YO/PreK, K-8, and 9-12 (using current and prior year October average for K-12)
- Adult Ed course counts for 16-20 year olds
- Equivalent instruction

### ❖ Weighted student Counts:

- Economically Disadvantaged
- English Learners

### ❖ Additional Targeted Funds:

- Assessment
- Technology Resources
- 4YO/PreK and PreK-2
- Economically Disadvantaged

### ❖ Isolated & Small School Adjustments



# Additional Operating Cost Allocations – ED 279 Section 3

## Key components for other allocations

### ❖ Other Subsidizable Costs

- Approved Gifted & Talented programs
- Special Education (multi-component calculation & maintenance of effort adjustment)
- Transportation Operating – EPS Allocation
- Approved Bus Purchases

### ❖ Teacher Retirement – Normalized Cost (employer share)

### ❖ Debt Service Allocations

- Principal & Interest Payments for approved school construction projects
- Approved Costs for Instructional Space Leases
- Insured Value Factor for Private School Tuition



# Now that the Total Allocation is Determined:

- Now that we know how much pie we need for each district.
- How do we cut up the State share of the pie and equitably distribute the cost between the State and local towns?





# State and Local Shares – ED 279 Section 4

## Key components for determining State and Local shares

- ❖ Subsidizable Student Counts
- ❖ Total Allocations are summed and divided within each district based on percentage of subsidizable pupils by member municipality
  - Operating Allocation (Section 2 totals)
  - Other Subsidizable Cost Allocation (Section 3)
  - Teacher Retirement Allocation (Section 3)
  - Debt Service Allocation (Section 3)
- ❖ Fiscal Capacity – State Valuation by Town
  - Lesser of 3-Year Average Valuation or Previous year Valuation
  - Local contributions determined by multiplying the town valuation by the Mil rate
  - The Mil rate is determined using the total cost of education, available state resources, and statewide property valuation
- ❖ State Appropriation = Required local contribution subtracted from the Total Allocations by town.



# Adjustments to State & Local Contributions

## – ED 279 Section 5

- **Section 5** = Total Allocation/Local Contribution/State Contribution Amounts
- **Section 5A** = Adjustments made to both State and local contributions
- **Section 5B** = Adjustments made to State contribution only
- Local and State percentages Prior to adjustments
- Local and State percentages After adjustments

# Adjustments – ED 279 Section 5

List of adjustments where applicable:

- ❖ Minimum State Allocation Adjustment (5%) (*Minimum Receiver*)
- ❖ Minimum Special Education Adjustment (50%) (*Minimum Receiver*)
- ❖ Adjustment for Debt Service (*Minimum Receiver*)
- ❖ Minimum Economically Disadvantaged Student Adjustment (*Minimum Receiver*)
- ❖ Audit Adjustments
- ❖ Adjustment for Unappropriated Local Contribution
- ❖ Long-Term Drug Treatment Centers Adjustments
- ❖ Career and Technical Education (CTE)
- ❖ Education Service Center (ESC) Member Allocation
- ❖ Minimum Teacher Salary Adjustment
- ❖ Maine Care Seed Adjustment

# Minimum Receiver Status – what does it mean?

- When a district/town's ability to pay is *greater* than their required local contribution, then they are considered a minimum receiver.
- Remember, the EPS funding formula is used to *equitably* distribute funds to the areas that need them the most.
- As a result, if your district has a higher valuation, (aka: higher ability to pay), the EPS formula will provide less funds to you, so it can provide more funds to school units that do not have as great an ability to pay.

# How do I access the ED 279 reports?

Go to <https://neo.maine.gov/DOE/NEO/eps/public/ed279.aspx>

- Choose Fiscal Year:



Please Select 'FiscalYear','SAU Name' and click 'View Report' Button.  
To save, print, or make accessible in screen reader software, after clicking view report PDF format of the report.  
Note: If you are using Internet Explorer 10, please use in compatability mode.

A screenshot of the report selection interface. The 'FiscalYear' dropdown menu is open, showing a list of years from 2014 to 2021. A red arrow points from the 'View Report' button to a callout box below.

View Report

- Choose SAU:



Please Select 'FiscalYear','SAU Name' and click 'View Report' Button.  
To save, print, or make accessible in screen reader software, after clicking view report button, click PDF format of the report.  
Note: If you are using Internet Explorer 10, please use in compatability mode.

A screenshot of the report selection interface. The 'SAU Name' dropdown menu is open, showing a list of school district names. A red arrow points from the 'Export / Print' button to a callout box below.

Export/Print

# Other Resources

- Essential Programs & Services website:
  - <https://www.maine.gov/doe/funding/gpa/eps>
- Subsidy Printouts (ED279) for school districts:
  - <https://neo.maine.gov/DOE/NEO/eps/public/ed279.aspx>
- Law: 20-A MRSA Chapter 606-B:
  - <http://www.mainelegislature.org/legis/statutes/20-A/title20-Ach606-Bsec0.html>

# School Finance Contacts:

- Tyler Backus  
School Finance Compliance Coordinator  
phone: 207-624-6635  
[tyler.backus@maine.gov](mailto:tyler.backus@maine.gov)
- Paula Gravelle  
School Finance Manager  
phone: 207-624-6792  
[paula.b.gravelle@maine.gov](mailto:paula.b.gravelle@maine.gov)
- Ida Batista  
School Finance Coordinator  
phone: 207-624-6795  
[ida.batista@maine.gov](mailto:ida.batista@maine.gov)