



Essential Programs & Services

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

Introduction

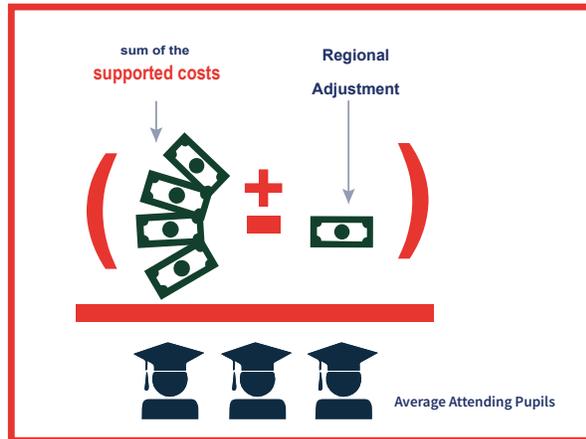
The Essential Programs and Services [EPS] formula is a complex system which determines what funds the local community and the state needs to provide for each school district. By analyzing each individual district and taking into account all of the needs of each school, the Maine Department of Education can predict the general funds those individual districts will need for the school year. This system gives schools a tailored allocation— one which is not equal, but equitable to the budgets of other districts.

Section 1: General Costs

Source: 15676-15680

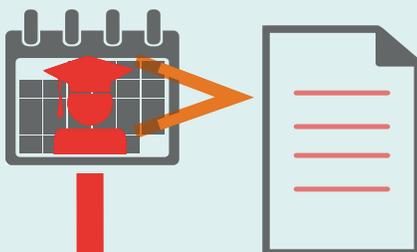
The first section of the formula finds the **EPS rate**, which is the allocation of a student that needs no supplementary support.

First, the supported costs are found, then the regional adjustment is added or subtracted, and lastly, this number is divided by the average attending pupils.



EPS Rate Formula

Finding the Supported Costs...



October to October two-year average of student enrollment is found using the Oct. 1 EPS count certification report.

Staff FTE Ratios

Using this average, staff positions are then calculated with a student to teacher ratio.

The ratio varies per grade (ie: 15 to 1 for high school)

FTE= Full Time Equivalent

% of EPS is calculated by: $\frac{\text{EPS FTE total}}{\text{Actual FTE total}}$



When the percentage is below 1, that indicates that there are more staff than the EPS model calculates. When percentage is above 1, there is less staff than the recommended model.



percentage multiplied by salary to compute benefits

Calculating Salaries & Benefits

Each salary is based off of a variety of factors...



The sum of the individual amounts are summed and multiplied by the % of EPS

(This divides the total amount of money for the recommended number of staff amongst the actual number of staff)



Teachers, Guidance & Librarians

combination of years of experience and level of education

19%



Health, Education Tech., Library tech

years of experience

36%



Clerical Positions

years of experience

29%



School Administrators

size of the school & distinguishes between principals and assistant principals

14%

The distribution of the staff salary is determined by the distribution of students for each grade in the school district.



Kindergarten



1st grade



2nd Grade



Adding in Other Support Per-Pupil Costs

A simple formula for expenses multiplies costs by average elementary students and secondary students

$$(\$ \times \text{elementary students}) + (\$ \times \text{secondary students})$$



Money is allocated to repair and maintain educational facilities

Operations and Maintenance



System Administration Support



Instructional Leadership Support



Substitute teachers are paid approximately \$43 per half day

Substitute Teachers



Money is allocated to support co-and extra-curricular student programs.

Co- and Extra-Curricular Student



Teachers are given a budget per student. Secondary education is granted a larger budget.

Supplies and Equipment



Money is allocated to programs for the professional development of staff.

Professional Development

Plugging the expenses into the EPS Rate Formula

After adding in, or subtracting out, regional adjustments; the sum of the supported costs is divided by the average attending pupils.



sum of the supported costs



Regional Adjustment



Average Attending Pupils

The Regional Adjustment exists to take into account the different labor markets.

ie: in Bangor, teachers are paid more because the cost of living is more expensive.

Section 2: Finding the Basic Operating Cost Allocations

Different grades and different students come with separate needs.



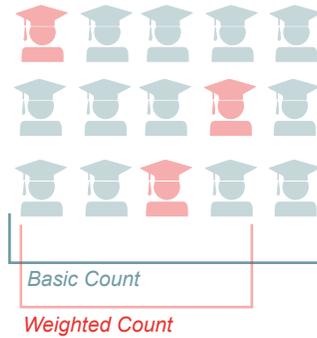
This section looks at:

- The needs of basic students
- The needs of disadvantaged students
- Targeted Funds
- The Isolated Small School Adjustment

Subsidizable Pupils

Source: 15674

The average subsidizable pupil population is found from using the student population from the current year and the year before.



Basic Count

Source: 15675

The entire student population is multiplied by the SAU EPS rate calculated in section 1 to determine the basic cost allocations.



Disadvantaged & English Language Learners

Weighted Count

A secondary count is made using the disadvantaged and ELL. The number of pupils who qualify are multiplied by an EPS Rate (.15 for disadvantaged students and .5 for ELL)



Targeted Funds

Source: 15681

Targeted funds are allocated to support assessments, technology resources, pre-k through 2nd grade pupils, and disadvantaged students

The allocations for these funds are found by multiplying the number of pupils by the amount of money predicted necessary



Testing

Pupils × targeted amount



Technology

Pupils × targeted amount



Prek- 2nd grade

Pupils × .10 × targeted amount



3rd grade-Secondary Education

Pupils × .15 × targeted amount

Isolated Small School Adjustment

Source: 15683



There are 3 different types of isolated schools...



Isolated Small
Elementary Schools



Isolated Small
Secondary Schools



Island Schools

Isolated Small Elementary Schools



Existing Pre-K-8 Schools

Qualifications

 **< 15** Fewer than 15 students per grade level

Existing Non-Pre-K-8 Schools

(Schools that have do not have entire Pre-K-8 range)

Qualifications

 **< 29** Fewer than 29 students per grade level

————— Nearest school is more than 8 miles away —————

Adjustment:

12.2% of the weighted per pupil amount

Adjustment:

Less than 15 students: 13.4% of the weighted per-pupil amount
15-28 students: 8.8% of the weighted per-pupil amount

Isolated Small Secondary Schools



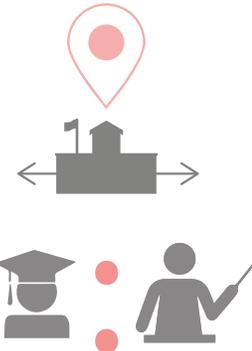
Qualifications

 **< 200** Fewer than 200 students per grade level

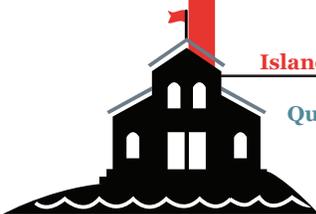
- Distance from furthest point in district to nearest high school is at least 18.5 miles
- Distance between the high school and nearest high school is over 10 miles

Adjustment:

Student- teacher ratios reduces to 11:1 for schools with fewer than 100 students and 13:1 for schools with 100-199 students



Island Schools



Qualifications

 =  Island- operating schools

Adjustment: A. Isolated small secondary schools student- teacher adjustment for schools with fewer than 200 students

B. 10% transition adjustment in K-8 EPS rate for elementary schools

C. 13% - 26% adjustment to EPS operating and maintenance costs, depending upon school level and size, for islands operating schools. (Less than 20 students= 13%, 20-75 students= 26%)



Section 3: Finding the Additional Operating Cost Allocations

Source: 15681-A

Expenses, such as other subsidizable costs and retirement, are factored into this part of the formula

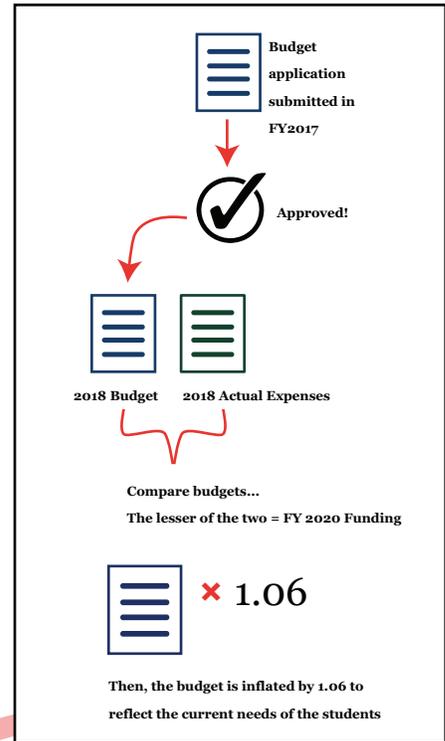


Gifted and Talented Education Allocation

Funds for this section are determined by comparing the most recent fiscal year GT expenditure data to the same fiscal year's GT budget data and allocating the lesser of the two amounts.

Special Education Allocation

Determining this requires six steps.



1. Base Component

Base EPS Base Rate =

15%

The first 15% of student population

If the percentage of special education students makes up less than 15% of the student population, the number of special education students are multiplied by 1.5 * your district EPS rate as well as their special education weight.

$$\left(\frac{\text{Elementary EPS Rate} \times \text{Elementary Calendar Year Average Subsidy Count}}{\text{Total Subsidy Count}} \right) + \left(\frac{\text{Secondary EPS Rate} \times \text{Secondary Calendar Year Average Subsidy Count}}{\text{Total Subsidy Count}} \right) = x \times 1.5$$

2. Prevalence Adjustment

For the number of special education students above 15% of the SAU's total population, a 0.38 weight is applied to that number of students as a prevalence adjustment.

3. Size Adjustment

Additional allocations are granted to SAUs with fewer than 20 special education students identified on the annual December 1st child count.



4. High-Cost In-District Adjustment

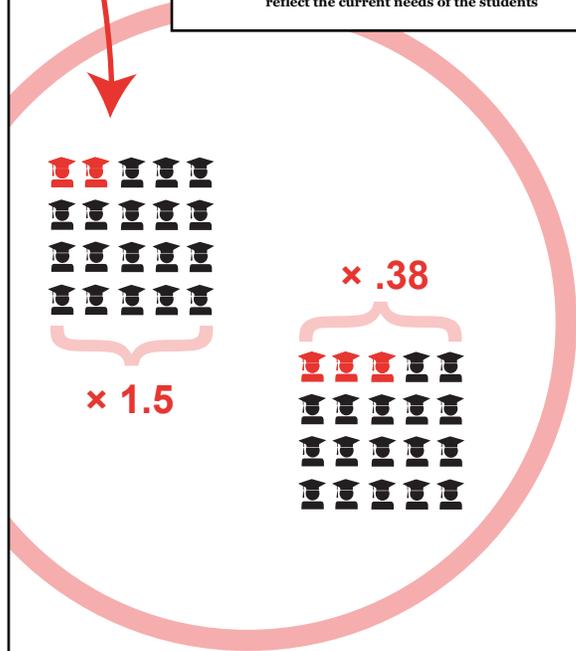
Additional funds are allocated for each student who is estimated to cost the district 3x the special education EPS per-pupil rate. Currently, this is an inflation over the previous years adjustment



5. High-Cost Out-of-District Adjustment

Districts receive an adjustment for special needs students educated outside of the district when costs are estimated to be more than four times the base special education per-pupil amount.

6. Maintenance of Effort Adjustment



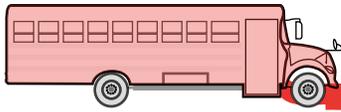


Transportation Operating Allocation

Funds for this allocation are determined by reviewing previous budgets, generating a budget, inflating it, then seeing where it lands on a spectrum...

1. Calculate Cost with Data

The cost is calculated by looking at the most recent expenditure data...



Net Transportation Expenditures =
Transportation Operating Expenditures
- transportation revenues
+ net community service expenditures
- bus revenues
+ vocational transportation costs
+ homeless transportation costs
+ special transportation costs

2. Old Allocation is inflated

EPS Transportation Operating Allocation for previous year is inflated to current year value

Ex: for FY20 transportation allocation, FY19 is inflated using consumer price index or another comparable index

 ×  = 
predicted per pupil transportation cost for the most recent year

3. Compare and Decide

The net expenditure data from step one is multiplied by 90% and 105% and then compared to the inflated allocation



If the inflated prior year allocation from the net expenditure data is...

- above 105%, it's capped at 105%
- in the middle, the inflated allocation is used
- below 90%, it's brought up to 90%

Bus Purchase Allocations

Bus purchase allocations fall outside of the transportation allocations and are only made on a need-to-need basis

Note: bus refurbishments are no longer supported by the state



Districts can either buy buses through the state or through the district.



Paying for buses through the state allows the district to receive an allocation for the expense.



Paying for buses through the district means not receiving any bus allocation from the state.

Buying through the state:

Year 1

A. Application:

Schools apply for a bus payment

Schools apply within a certain window of time and are placed on a list. The schools with the greatest need receive new ones.

November 1-- November 25

B. Approval:

DOE approves bus payment

The superintendent receives an email of approval.

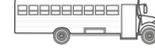
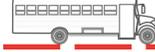
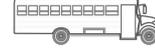
December 30-January 15

Minimum requirements:

Passenger Vans: 7 yrs & 100,000 miles

Type C buses: 10 yrs & 125,000 miles

Type D buses: 14 yrs & 245,000 miles



Certain situations take precedence:

- Bus age
- special needs transport,
- emergencies,
- additions to fleet

Types of bus applications:

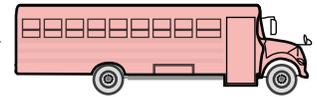
1. Bus Replacement
 - a. emergency
 - b. replacing existing bus near end of useful life
 - c. add new bus while removing old one for sale or parts...
2. Addition to Fleet
 - a. Respond to unique district situations (ie: special needs, influx of students)
 - b. Add a new bus to the district fleet without taking an existing bus out of service

Year 2

A. Purchase:

Districts granted a bus payment can then choose to make their payments over 1-5 years.

Once granted, the payments must be made according to schedule. Schools can pay for the bus up to five years. The subsidy from the state is given at the rate the school pays for the bus. (no rollover may occur to ensure that the payments from the state are going directly to fund the bus)



Example: Appleton applies to buy a bus. The state grants them funding because their bus is one of the oldest ones in Maine. The district buys the bus over a five year period. Consequently, they receive subsidy for the bus from the state over a five year period.

Year 3

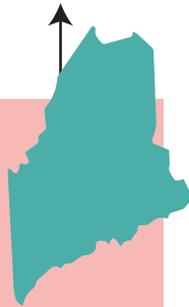
Subsidy Begins

By this time, the district has made their first payment. If the payment is paid in full, the school receives the subsidy.

What if my district pays for the bus all in one year instead of the original approved 2, 3, 4 or 5-year plan?

The state of Maine grants subsidy at the rate of approved financing. If the district originally planned on making the payments within a year, this is fine. However, if they did not plan on this, **the state only has available the amount of subsidy allocated at the time of approval.**

The district, in this scenario, only receives the first portion that was allocated in that first year. They will not receive the additional funding in subsequent years if paid off early.



Section 4: Calculation of Required Local Contribution

Source: 15688

Looking at the funds local towns are capable of raising and the funds the government can contribute

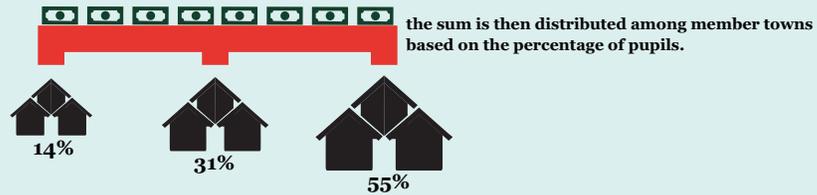
1. Expenses are added up and divided within district

In a district, the percentage of students per town is determined and then used to calculate what expenses each town is responsible for

Students in town



Operations, other subsidies, and the retirement allocation distribution are added to the municipal debt allocation distribution



2. Local contributions are determined

The Average State Valuation is multiplied by the Mil Expectation

The Mil Rate is Determined by...



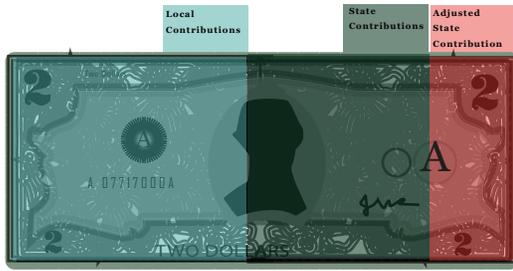
3. Required Local contributions are subtracted from Total Allocations

The Average State Valuation is multiplied by the Mil Expectation



Section 5: Adjustments made to Government

Contributions



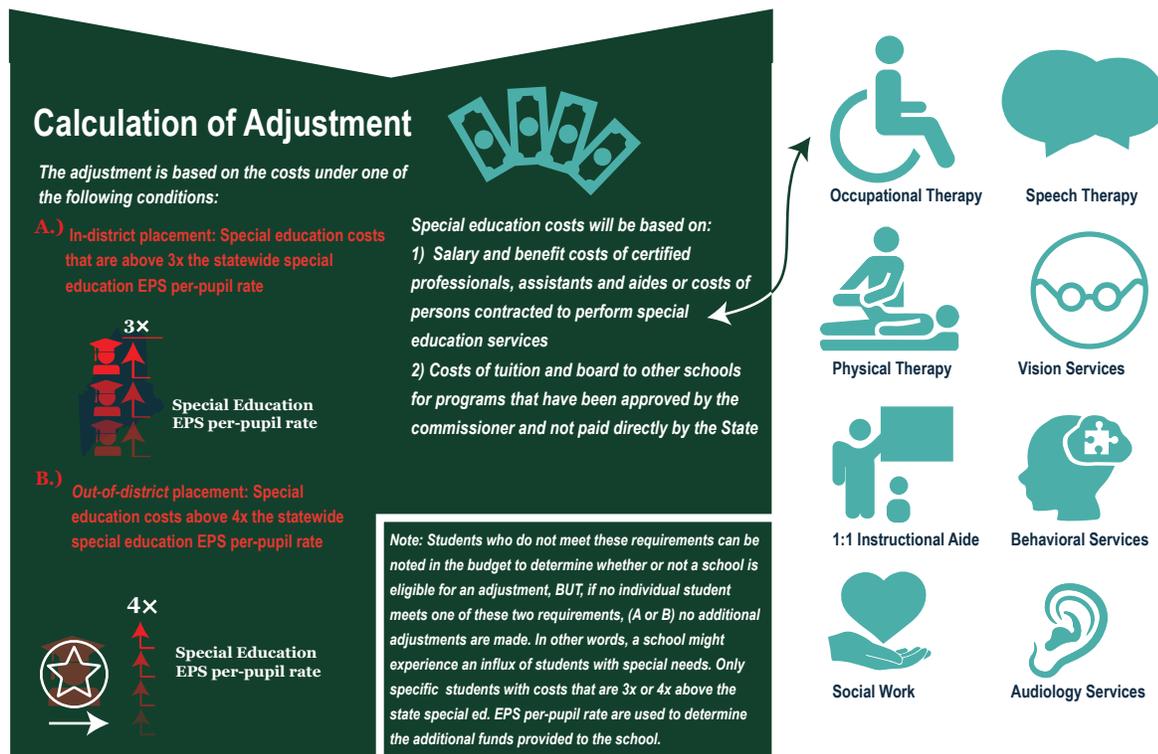
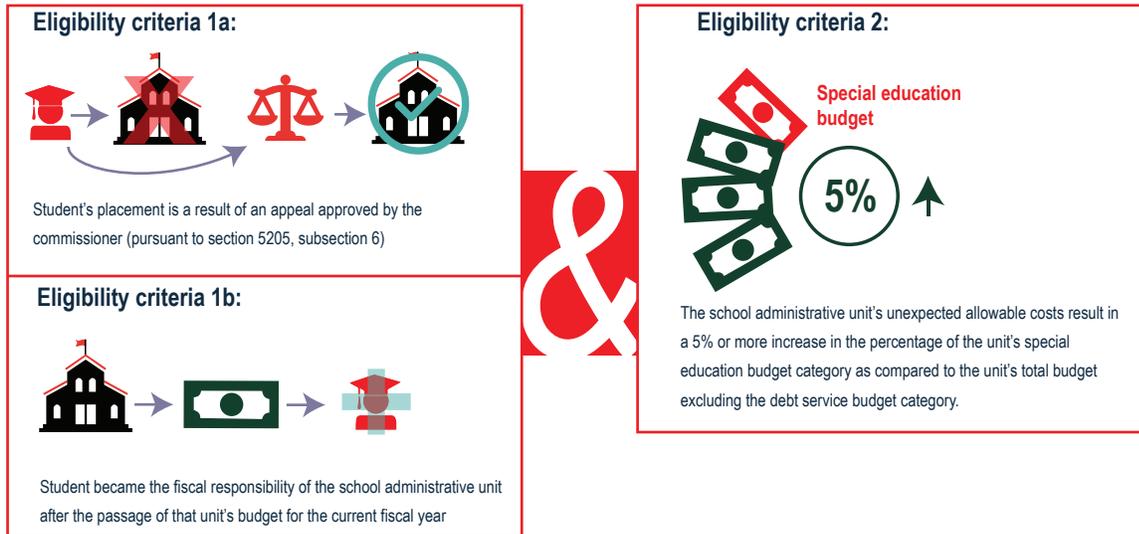
- Plus Audit Adjustments & Less Audit Adjustments
 - Less Adjustment for Unappropriated Local Contribution
 - Less Adjustment for Unallocated Balance in Excess of 3%
 - Special Education Budgetary Hardship Adjustment
 - Plus Long-Term Drug Treatment Centers Adjustment
 - Education Service Center Member Allocation
 - Less MaineCare Seed- Private & Public
 - Career and Technical Education Center Allocation
- adding/subtracting money to their state subsidy
- If a school district does not raise local share, money is taken away from the subsidy
- If a school district holds more than 3% in unallocated reserves, anything above that 3% is removed in subsidy.
- RSU 6 and 18 qualify for this adjustment

Special Education Budgetary Hardship Adjustment

The special education budgetary hardship adjustment serves to support schools who gain additional students with special needs after their budget has passed.*

Qualification of Adjustment

In order to qualify, schools must meet either criteria 1a or 1b as well as criteria 2. So, a school might qualify for this adjustment with 1a and 2, or 1b and 2.



MaineCare Seed

What is MaineCare Seed?

Currently when MaineCare pays a school-based claim, approximately 64% of that claim is paid by the Federal government and approximately 36% is considered a State match which the Department refers to as Seed.

School-based services= services in accordance with an IEP/IFSP

What is the process?

First, DHHS estimates the seed cost for school-based services, then DOE upfronts the funds to DHHS for the fiscal year.

The Department of Education provides funds on behalf of SAUs to the Department of Health and human services for anticipated seed.



The DHHS provides a list of claims to the DOE and the DOE determines through enrollment who's responsible for funds...

Seed is assessed **quarterly** and each SAU is required to review student claims (that are determined by the department to be the responsibility of that SAU.)



The SAU pays for the MaineCare seed by receiving less subsidy from the state.

Once the timeline expires, the SAU's subsidy is reduced by the seed amount for that quarter. This is shown in the ED 279, which is the **portal** for the EPS formula.



There are two different MaineCare reports...



Services that are rendered at a public school.



Services that are rendered at a private school or by a private provider.

Quarterly MaineCare Reports

Quarterly reports are determined by when MaineCare pays them

July, August & September

Q1

October, November & December

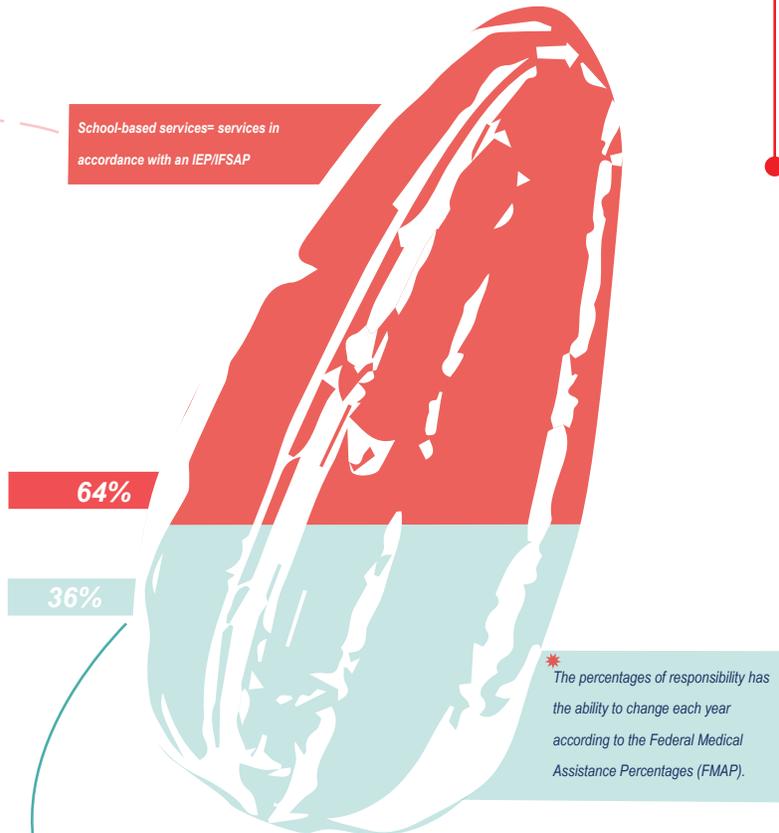
Q2

January, February & March

Q3

April, May & June.

Q4



* The percentages of responsibility has the ability to change each year according to the Federal Medical Assistance Percentages (FMAP).



To summarize...

DOE upfronts seed funds to DHHS for school-based services. Then, DOE recovers seed through the SAU subsidy. MaineCare handles the government funding portion.



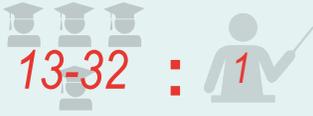
Career & Technical Education Allocation

This allocation is state-side only; the funding comes primarily from the state government

1. Direct Instruction

a. Teachers

Student to teacher ratios are used to determine how many instructors are necessary



An example of a ratio. 33-39 students need 1.5 teachers, 40-64 need 2, and so forth.



Students	FTE
1-12	0.5
13-32	1.0
33-39	1.5
40-64	2.0
65-79	2.5
80+	3.0

Benefits: 19%

b. Ed Techs

Ed techs are needed for specific programs & are determined by a ratio. There is a minimum of at least 1 per school

- Agriculture & Technology
- Automobile Mechanics
- Agricultural Mechanics
- Autobody/Collision and Repair Technology
- Carpentry
- Plumbing



Students	FTE
1-12	0.5
13+	1.0
Diversified Occupations	1.0 per 27 students
Minimum per school	1.0

Benefits: 36%

c. Clinical Supervisors



Programs: Health Professions and Related Clinical Services: Nurse/Nursing Assistant, Aide and Patient Care Assistant, and Emergency Medical Technology

d. Substitutes

Allocated by a per-pupil amount

2. Central Administration

a. Director

1 per CTE school



b. Assistant Director

1 per CTE school with over 349 students
(.5 per CTE with 250-349 students)



c. Business Manager

1 per CTE region



d. Clerical Staff

1 per CTE per 250 students with a minimum of 1 FTE



f. Other Central Administrative Costs

16% of administrative salary and benefits

Benefits: 15%

3. Student and Staff Support

a. Guidance counselors

349:1 FTE

350+: 1.5 FTE



b. Coordinators

1 per school

+Benefits: 19%



c. technology per pupil amount

d. Co-Curricular per pupil amount

e. Professional Development per pupil amount

f. Safety per pupil amount

g. Program transportation

h. Assessment

4. Supplies: specific amounts for specific Programs

Student to teacher ratios are used to determine how many instructors are necessary

- Agriculture
- Auto Tech
- Autobody
- Business
- Child Care
- CO-Op
- Computer
- Repair
- CTE Academics
- Culinary Arts
- Diversified Occupations
- Drafting
- Engineering
- Electrician
- Graphic Arts
- Health
- Machine Tool
- Marketing
- Multimedia
- Pre-Engineering
- Public Safety
- Small Engine
- Welding
- Wood Harvesting

All Other Programs:
General Amount
Additional Per-Pupil:
Per Pupil Amount

Program Specific

5. Operations And Maintenance of Plant

Calculated per square footage amount.

Transition Period Adjustments

"Holding harmless to the old model (expenditure model)"



- If the old model (expenditure model) is higher than current model, CTE school get the old amount.
- Their budget will be gradually decreased until it matches the current model.



- If the old model (expenditure model) is lower than the current model, CTE schools get an inflated amount up to 30% --- but no more than the model amount.
- Their budget will be gradually increased until it matches the current model

Section 6: Schedule

Scheduled Payments and Year to Date Payments

Subsidy payments are paid on a monthly basis & debt service is paid on a semi-annual basis.