

# Section 1

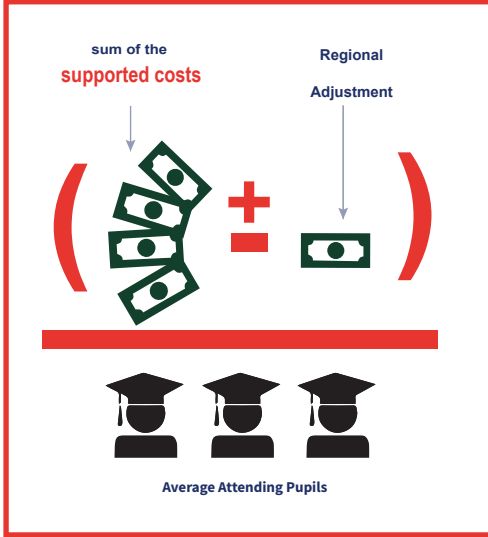
## General Costs

The first section of the formula determines the needs of an individual school district, which is done by finding the **EPS rate**.

### Finding the EPS Rate

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

EPS rates are found for both elementary and secondary schools



### Supported costs

- Supported costs include:
1. Teacher Salaries and Benefits
  2. Per-Pupil Costs

First, the amount of teachers and other staff necessary must be calculated with staff FTE ratios



Calendar year average of student body is found with attending count certification



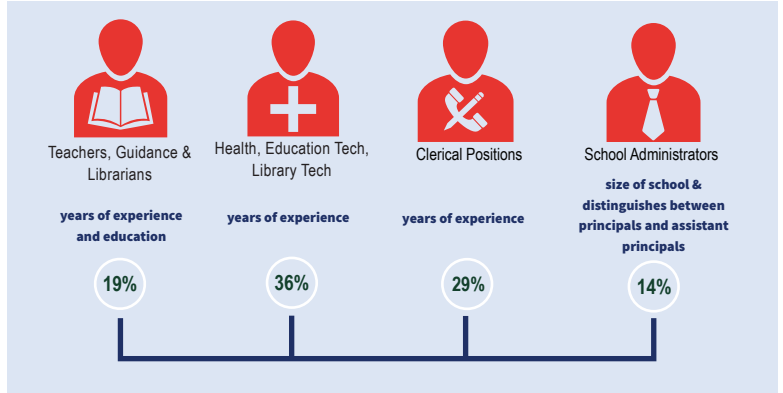
Using this average, staff positions are then calculated with a student to teacher ratio.

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

Then, after determining what staff positions are needed, the salaries and benefits are calculated

The sum of the individual staff salaries are multiplied by the EPS ratio. The EPS ratio is determined by comparing what the formula says the district should have for staff by the actual number of staff.

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



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

All of the expenses are added up to find the supported costs.

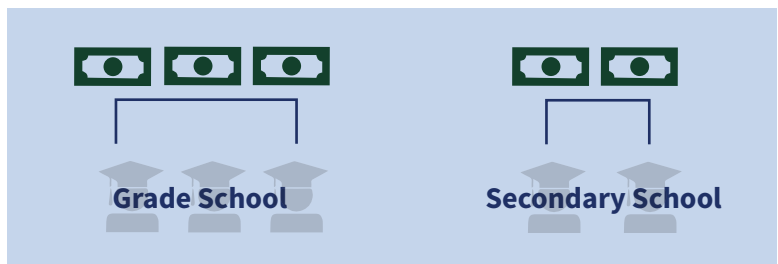
The distribution for the staff salaries are determined by the percentage of students for each grade in the school district.

Why does it need to be re-distributed???

The funding system knows how many teachers the schools SHOULD have-- but not how many they actually have, which is why it needs to be redistributed

- Professional Development
- Instructional Leadership Support
- System Administration/ Support
- Operations and Maintenance
- Supplies and Equipment
- Co- and Extra Curricular Student
- Substitute teachers

Other Support Per-Pupil Costs are added...



# Section 2

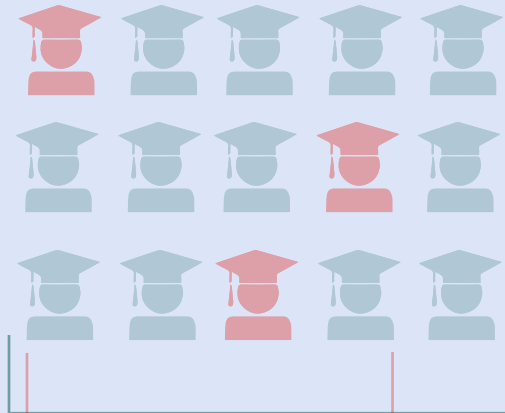
## Finding the Basic Operating Cost Allocations

Different grades and different students come with separate needs.

This section accounts for the **local needs** of the separate school districts

### Subsidizable Pupils

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



*Basic Count*

*Weighted Count*

### Basic Count

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

### 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)



✗ EPS Rate

✗ (EPS Weight × EPS Rate)



Disadvantaged & English Language Learners

### Targeted Funds

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



assessments



technology



pre-k-2nd grade



disadvantaged students

Pupils × targeted amount

Pupils × targeted amount

Pupils × .10 × targeted amount

Pupils × .15 × targeted amount

### Isolated Small School Adjustment

Pre-K through 8 adjustment

9-12 Isolated Small School Adjustments

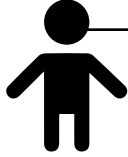


# Section 2: Isolated Small School Adjustment

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

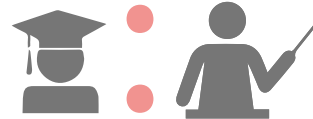
< 200 Fewer than 200 students per grade level

- 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

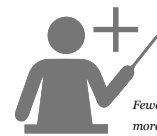
### Qualifications

= Island- operating schools

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

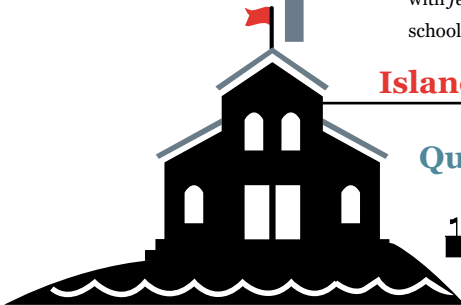
B. 10% transition adjustment in K-8 EPS rate for elementary schools

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%)



Fewer students= more staff support

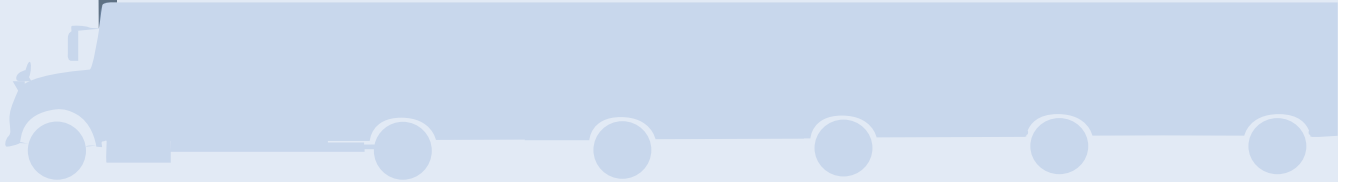
< 200



# Section 3

## Finding the Additional Operating Cost Allocations

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



### Gifted and Talented Education Costs

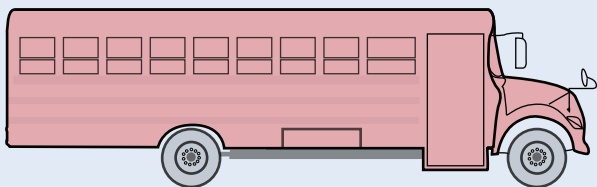
Funds for this section are determined by reviewing previous budgets and calculating in the cost of giften and talented with the most recent expenditure data.



### Special Education Allocation

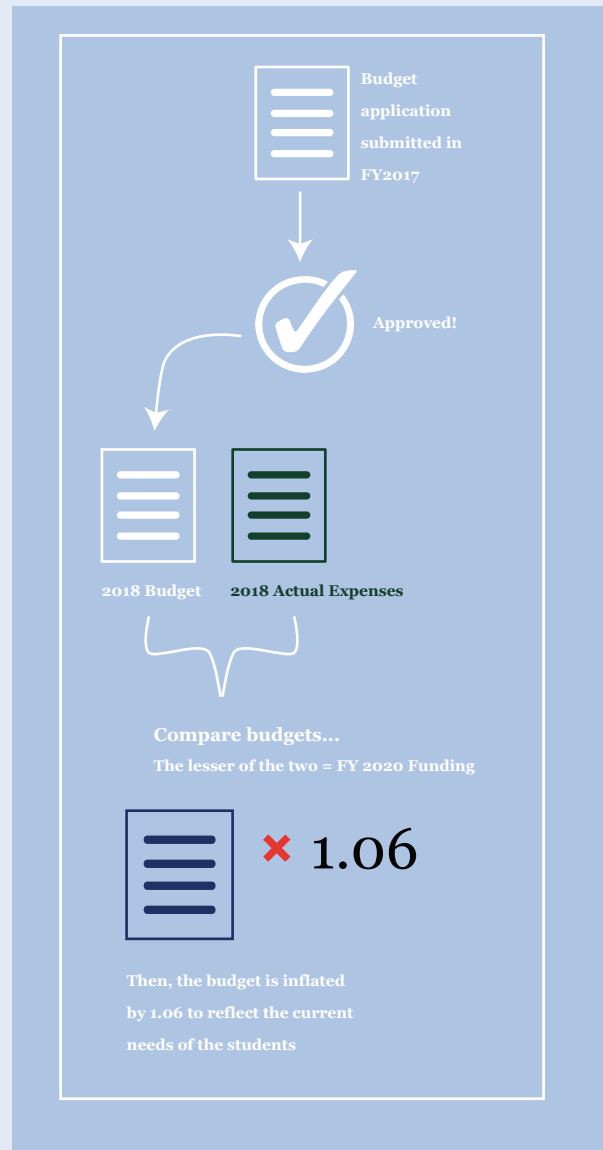
Determining this requires six steps and the Maintenance of Effort Adjustment.

1. Base component
2. Prevalence Adjustment
3. Size Adjustment
4. High Cost In-District Adjustment
5. High Cost Out of District Adjustment
6. EPS Special Education Allocation



### Transportation Operating Allocation

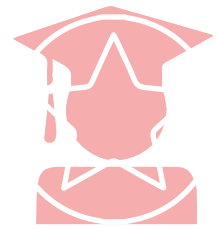
Funds for this allocation are determined by reviewing previous budgets, generating a budget, inflating it, then seeing where it lands on a spectrum...





# Section 3: Special Education Allocation

6 steps help us arrive at the proper allocation...



## 1. Base Component

**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 the full EPS rate as well as their special education weight.

If the percentage of special education students makes up 15% or more of the student population, a .38 weight is applied to the formula to grant additional funds.

This change in percentage is the prevalence adjustment.

## 2. Prevalence Adjustment

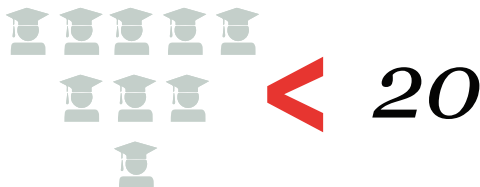
This percentage (.15 OR .38) is then multiplied with the result of the following equation

Base EPS Base Rate =

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

## 3. Size Adjustment

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



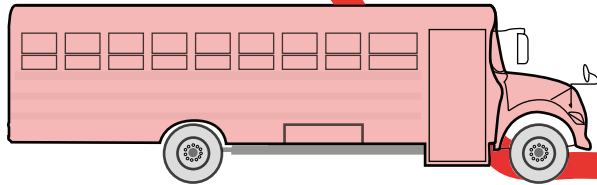
## 4. High-Cost In-District Adjustment

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



# Section 3: Transportation 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...

$$\begin{aligned} \text{Net Transportation Expenditures} = & \text{Transportation Operating Expenditures} \\ & - \text{transportation revenues} \\ & + \text{net community service expenditures} \\ & - \text{bus revenues} \\ & + \text{vocational transportation costs} \end{aligned}$$

## 2. Old Allocation is inflated

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

Ex: for FY20 transportation allocation, FY18 is inflated using consumer price index or another comparable index

$$\text{predicted per pupil transportation cost for the most recent year} \times \$ = \text{money icon}$$

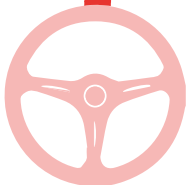
## 3. Compare and Decide

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



If the inflated number 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%



# Section 3: 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



Schools 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

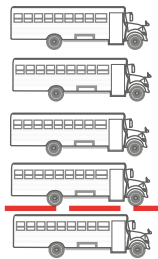
The superintendent receives an email of approval.

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

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



**Certain situations take precedence:**

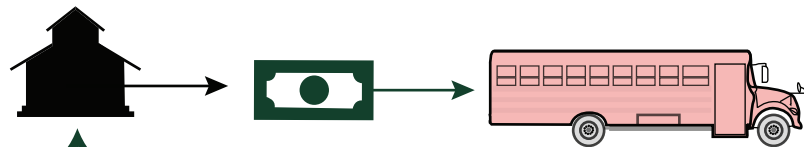
- Bus age
- special needs transport,
- emergencies,
- additions to fleet

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

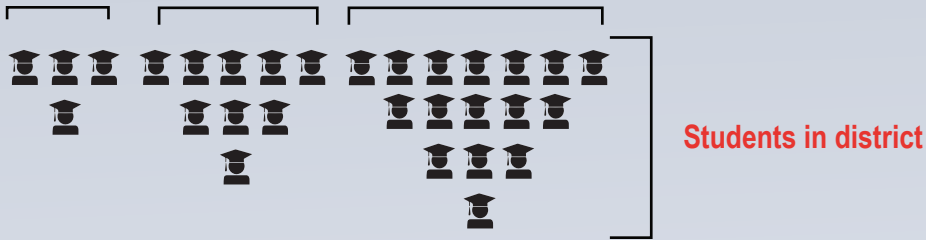
## Calculation of Required Local Contribution

*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

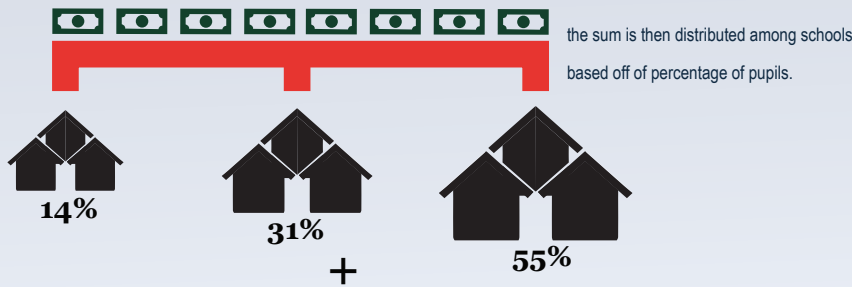
In a district, the percentage of students per school is determined and then used to calculate what expenses each school is responsible for...

#### Students in school



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

$$\text{Money needed to provide services to students and run the schools} + \text{Sum of debt schools owe to government}$$



### 2. Local contributions are determined

The Average State Valuation is multiplied by the **Mil Expectation**

#### The Mil Rate is Determined by...

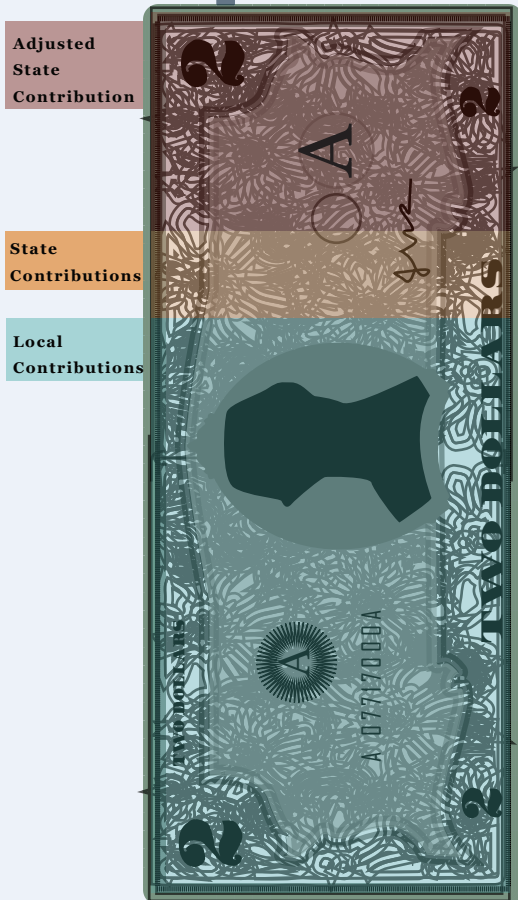
- Total cost of education
- State Resources
- Valuation of town

### 3. Required Local Contributions are subtracted from Total Allocations



## Section 5

Lastly, adjustments are made to the state contribution



### *Other adjustments to State Contribution Only :*

1. Plus Audit Adjustments
2. Less Audit Adjustments (**taking money away for some reason**)
3. Less Adjustment for Unappropriated Local Contribution
4. Less Adjustment for Unallocated Balance in Excess of 3%
5. Special Education Budgetary Hardship Adjustment
6. Career and Technical Education Center Allocation
7. Plus Long-Term Drug Treatment Centers Adjustment
8. Regionalization and efficiency assistance

**10. Less MaineCare Seed- Private**

**11. Less MaineCare Seed- Public**

### *Adjusted State Contribution:*

Local and State Percentages Prior to Adjustment...

Local and State Percentages after adjustments...

100% EPS Allocation

# Section 5: 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?

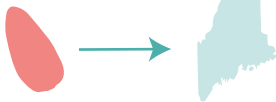
First, DHHS estimates the seed cost for school-based services, then DOE upfronts the funds to DHHS for the fiscal year.

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 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
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64%

36%

\*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.

# Section 5: 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 & Automobile Mechanics
- Agricultural Mechanics Technology
- 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

\$2,700 per 8 students

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

e. 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
- i. Program Training

## 4. Supplies: specific amounts for specific Programs

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

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

Program Specific

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

## 5. Operations And Maintenance of Plant

Calculated per square footage amount.

### Transition Period Adjustments

"Holding harmless to the old model"



- If the old 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 is lower than the current model, CTE schools get an inflated amount up to 5% --- but no more than the model amount.
- Their budget will be gradually increased until it matches the current model