

[FOR DISCUSSION PURPOSES ONLY – NOT BASED ON PRECISE CALCULATIONS]

Title I Adjustment Options

This chart describes three options for making statewide Title I and teacher – student ratio adjustments in the EPS formula.

Policy Option	1. Include Title 1 Funds in EPS Rate Calculation	2. Include Title 1 Adjustment, Increase Teacher Ratios by 1	3. Include Title 1 Adjustment, Reduce Teacher Ratios by 1
Teacher-Student Ratios	Grades K-5 1:17 Grades 6-8 1:16 Grades 9-12 1:15	Grades K-5 1:18 Grades 6-8 1:17 Grades 9-12 1:16	Grades K-5 1:16 Grades 6-8 1:15 Grades 9-12 1:14
Mill Expectation (Current = 8.10) Changes in mill rate expectations	8.10 → 8.29	8.10 → 8.11	8.10 → 8.51
Cost*: Statewide* (\$millions) Change in total allocation, local required, and state subsidy	Total: \$44.7 Local: \$23.8 State: \$20.9	Total: \$1.4 Local: \$0.8 State: \$0.6	Total: \$95.7 Local: \$51.0 State: \$44.7
Pros and Cons	Pros: • Avoids appearance of federal funds supplanting state funds • More funds to SAUs with high need students Cons: • Cost (state and local)	Pros: • Avoids appearance of federal funds supplanting state funds • Near cost neutral Cons: • Less favorable EPS recommended teacher ratios	Pros: • Avoids appearance of federal funds supplanting state funds • Similar to actual ratios (unweighted pupil counts) Cons: • Cost (state and local)

The chart on the next page models the impacts of the options on three different sample SAUS (higher, moderate, and lower subsidy received).

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Title I Adjustment Options for Three Sample School Districts

Cost*: Sample SAUs (\$millions)	1. Include Title 1 Funds in EPS Rate Calculation	2. Include Title 1 Adjustment, Increase Teacher Ratios by 1	3. Include Title 1 Adjustment, Reduce Teacher Ratios by 1
A. Higher Receiver 68.5% \$2.69 million total allocation	Total: \$0.07 (3%) Local: \$0.02 (1%) State: \$0.05 (2%)	Total: \$0.03 (1%) Local: \$0.00 (0%) State: \$0.03 (1%)	Total: \$0.12 (4%) Local: \$0.04 (1%) State: \$0.07 (3%)
B. Moderate Receiver 52.3% \$25.6 million total allocation	Total: \$0.7 (3%) Local: \$0.3 (1%) State: \$0.5 (2%)	Total: \$0.2 (1%) Local: \$0.0 (0%) State: \$0.2 (1%)	Total: \$1.3 (5%) Local: \$0.6 (2%) State: \$0.7 (3%)
C. Lower Receiver 15.3% \$16.2 million total allocation	Total: \$0.0 (0%) Local: \$0.3 (2%) State: -\$0.3 (-2%)	Total: -\$0.5 (-3%) Local: \$0.0 (0%) State: -\$0.5 (-3%)	Total: \$0.4 (2%) Local: \$0.7 (4%) State: -\$0.3 (-2%)

High level cost estimates by MDOE do not include effect on isolated small school adjustment or special education allocation.

*CAVEAT: Estimates assume no change in overall state share percentage: a lower state percentage would result in a higher local cost.

N.B.: Calculations are not precise and should not be considered exact. Data would need to be updated and statewide factors and calculations considered to determine more precise impacts.

The charts on the next page provide more detailed information on the potential impacts of the options at the statewide level and for three sample school districts.

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Sample Impacts of Modifications to Title I Adjustment and Student-Teacher Ratios

Entity	EPS Allocation	Subsidy %	State Contribution	Local Contribution	Mill Expectation
State	\$2,061,318,509	46.8%	\$943,846,108	\$1,072,762,508	8.10
Scenario 1	\$44,709,893	46.8%	\$20,937,430	\$23,772,463	8.29
Scenario 2	\$1,371,454	46.8%	\$568,565	\$802,889	8.11
Scenario 3	\$95,667,150	46.8%	\$44,698,950	\$50,968,199	8.51

Entity	EPS Allocation	Subsidy %	State Contribution	Local Contribution	Mill Expectation
District A	\$2,689,875	68.51%	\$1,842,818	\$847,058	8.10
Scenario 1	\$70,805	68.60%	\$50,936	\$19,869	8.29
Scenario 2	\$33,358	68.86%	\$32,312	\$1,046	8.11
Scenario 3	\$117,507	68.30%	\$74,631	\$42,876	8.51

Entity	EPS Allocation	Subsidy %	State Contribution	Local Contribution	Mill Expectation
District B	\$25,584,696	52.31%	\$13,383,278	\$12,185,843	8.10
Scenario 1	\$746,719	52.58%	\$460,878	\$285,841	8.29
Scenario 2	\$241,467	52.70%	\$226,423	\$15,044	8.11
Scenario 3	\$1,336,234	52.40%	\$722,419	\$616,814	8.51

Entity	EPS Allocation	Subsidy %	State Contribution	Local Contribution	Mill Expectation
District C	\$16,261,821	15.29%	\$2,482,137	\$13,754,408	8.10
Scenario 1	\$25,276	13.44%	(\$297,358)	\$322,634	8.29
Scenario 2	(\$478,073)	12.61%	(\$495,053)	\$16,981	8.11
Scenario 3	\$443,229	13.36%	(\$252,982)	\$696,211	8.51