



Essential

Programs & Services

Integrated with Chapter 712 Funding Law

Joint Standing Committee on Education and Cultural Affairs

February 4, 2009

The Focus of Today's Agenda

● Essential Programs and Services

- The New Basis for Determining the Cost of Education in it's fourth year of Implementation - FY2008-09***
- FY2008-09 EPS Calculation Details***

● Maine's New Funding Formula for Sharing the Costs of K-12 Education Between State and Local

- EPS Local Share Determined by Set Mill Rate of 6.55***
- LD-1 Implementation Requirements***
- Impact of FY2009 Supplemental Budget***

The Focus of Today's Agenda

Essential Programs and Services

FY2008-09 EPS Calculation Details

Operating Costs

EPS Per Pupil Rates (page 1 ED279)

- 1. Staff – Teachers (Pupil Teacher Ratios)***
- 2. Other Support (Per Pupil Allocations)***
- 3. Regional Adjustment –Salary & Benefit***

Specialized Student Populations (Weighted Amounts)

Other Subsidizable Costs

Gifted and Talented – GT Allocation

Vocational – CTE Allocation

Debt Service



Essential

Programs & Services

The Concept:

*Essential Programs and Services is designed to insure 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 K-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

Applying the *EPS Model* to **Auburn FY2009**

100% *EPS Model*

\$31,141,757
State & Local

Debt Service

\$1,441,448

- *Major Capital Construction Debt*
- *Temporary Lease Space Purchase Conversions*

Other Subsidizable Costs

\$6,663,398

- *Special Education*
- *Transportation*
- *Vocational Education*
- *Gifted & Talented*

Operating Costs

\$23,036,911

- *Salary and Benefits*
- *System Administration*
- *Operation & Maintenance*
- *Supplies & Equipment*
- *Other Instructional Support*

Enacted 2003

Operating Costs

Key EPS Operating Cost Components

- **Student Demographics**
(SAU Pupil Counts for K-5, 6-8, 9-12 and Specialized Student Populations)
- **EPS Per Pupil Rate for Each SAU**
(Per Pupil Amounts Tailored for Each Unit Which Reflect Costs for Personnel, Administration, & Instructional Support)
- **Weighted Amounts**
(Additional Per Pupil Amounts for Limited English Proficiency (LEP) and Economically Disadvantaged Pupils)
- **Targeted Amounts**
(Additional Per Pupil Amounts for K-2 Pupils, Standards Implementation, and Technology Resources)
- **Other Adjustments**
(Isolated Small Schools, Declining Enrollments, Adult Education, And Equivalent Instruction)

Operating Costs

Total Operating Cost Calculation for Auburn

Total Population		Pupils	EPS Rate	Total Allocation
• K-8 Pupils		2396.5	X \$5572.00 =	\$13,353,298.00
• 9-12 Pupils		1125.0	X \$5921.00 =	<u>\$6,661,125.00</u>
				\$20,014,423.00
Weighted Amounts		EPS wt.		
• Disadvantaged K-8	.15	X	1082.0	X \$5572.00 = \$904,335.60
(@45.15%) 9-12	.15	X	507.9	X \$5921.00 = \$451,091.39
• Limited English K-8	.50	X	121.0	X \$5572.00 = \$337,106.00
9-12	.50	X	29.0	X \$5921.00 = \$85,854.50
				\$1,778,387.49
Targeted Amounts		EPS wt.		
• Standards Implementation K-12			3521.0	X \$40.00 = \$140,860.00
• Technology K-8			2396.5	X \$90.00 = \$215,685.00
• Technology 9-12			1125.5	X \$273.00 = \$307,125.00
• K-2 Pupils	.10	X	861.5	X \$5572.00 = \$480,027.80
				\$1,143,697.80
Other Adjustments				
• Isolated Small Schools K-8 and/or 9-12				\$0.00
• Declining Enrollment				\$0.00
• Adult Education & Equivalent Instruction				\$22,245.88
Total EPS Operating Allocation				\$23,036,911.37

Operating Costs

Total Operating Cost Calculation for Auburn

Total Population	Pupils		EPS Rate	Total Allocation
• K-8 Pupils	2396.5	X	\$5272.00 =	\$13,353,298.00
• 9-12 Pupils	1125.0	X	\$5921.00 =	\$6,661,125.00
				\$20,014,423.00

Details of the EPS Per Pupil Rate Calculation

(Per Pupil Amounts Tailored for Each Individual SAU That Reflect Costs for Personnel, Administration, and Instructional Support)

Computation of EPS Rates - Auburn FY2008-09

Page 1 Line 12A - Teachers Salary

	K-5	6-8	K-8	9-12	TOTAL
11 AVERAGE ATTENDING PUPILS (APRIL & OCTOBER), CALENDAR YEAR 2007	1,621.0	774.0	2,395.0 (68%)	1,133.5 (32%)	3,528.5

12 Position	K-5	6-8	9-12	E.P.S. FTE	Actual FTE	= Ratio	X	EPS Total Salary	=	Elementary Salary	Secondary Salary
A. TEACHERS	95.4 (17:1)	48.4 (16:1)	75.6 (15:1)	219.4	252.5	= .87	X	11,224,122	=	6,640,190	3,124,796

Actual FTE Staff Reported

Attending K-5 Pupils $\frac{1621}{17} = 95.4$ Full Time Equivalent (FTE) Staff

EPS total salary equals 252.5 Actual FTE's inserted in the state Teacher Salary Matrix for FY'09

EPS total salary adjusted to reflect EPS to Actual Staff Ratio X K-8 Share

EPS Staff $\frac{219.4}{252.5} = .87$ X \$11,224,122 x .68 (K-8%) = \$6,640,190

Page 1 Line 13 - Other Support Costs (Per Pupil)

	K-5	6-8	K-8	9-12	TOTAL
11 AVERAGE ATTENDING PUPILS (APRIL & OCTOBER) , CALENDAR YEAR 2007	1,621.0	774.0	2,395.0	1,133.5	3,528.5

12 Position	K-5	6-8	9-12	E.P.S. FTE	Actual FTE	= Ratio	X	EPS Total Salary	=	Elementary Salary	Secondary Salary
A. TEACHERS	95.4 (17:1)	48.4 (16:1)	75.6 (15:1)	= 219.4	/ 252.5	= .87	X	11,224,122	=	6,640,190	3,124,796

13. Other Support Costs (Per Pupil)	K-8	9-12	
A. Substitute Teachers – 1/2 Day	34	34	
B. Supplies and Equipment	320	442	
C. Professional development	54	54	129,330
D. Instructional Leadership Support	22	22	
E. Co-and Extra-Curricular Support	31	105	
F. System Administration	204	204	
G. Operations & Maintenance of Plant	935	1,111	

EPS Per Pupil Amount Times K-8 Attending Pupils

54 X 2,395 = \$129,330

Page 1 Line 15 Regional Adjustment for Salaries, Benefits, & Substitutes

	K-5	6-8	K-8	9-12	TOTAL
11 AVERAGE ATTENDING PUPILS (APRIL & OCTOBER) , CALENDAR YEAR 2007	1,621	774.0	2,395.0	1,133.5	3,528.5

12 Position	K-5	6-8	9-12	E.P.S. FTE	Actual FTE	= Ratio	X	EPS Total Salary	=	Elementary Salary	Secondary Salary
A. TEACHERS	95.4 (17:1)	48.4 (16:1)	75.6 (15:1)	= 219.4	/ 252.5	= .87	X	11,224,122	=	6,640,190	
B. GUIDANCE										385,629	
C. LIBRARIANS										134,818	
D. HEALTH (Nurse)										130,516	
E. EDUCATION TECHS										238,098	
F. LIBRARY TECHS										89,165	
G. CLERICAL										341,950	
H. SCHOOL ADMIN.										604,417	
										<u>8,564,783</u>	

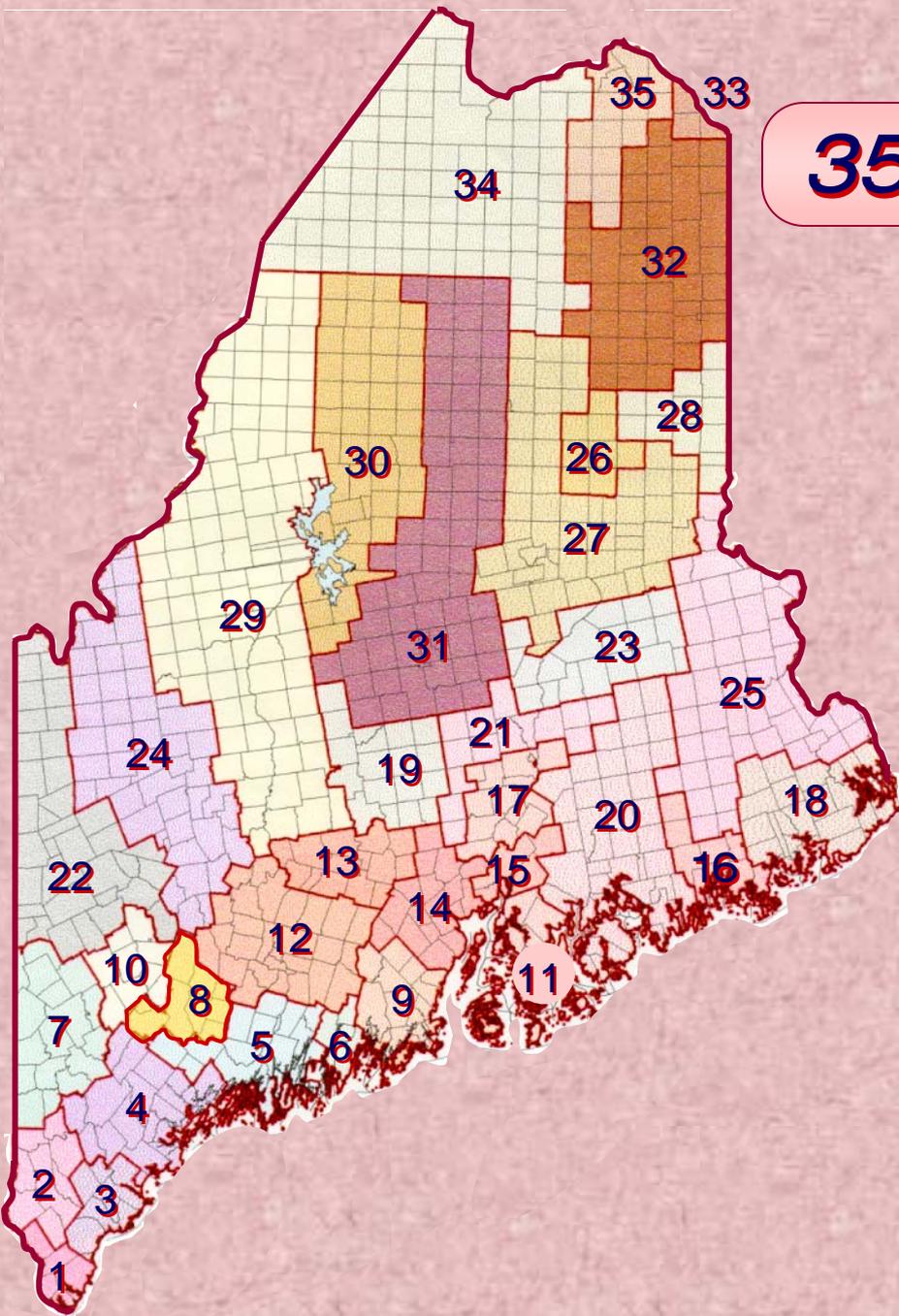
13. Other Support Costs (Per Pupil)	K-8	9-12	
A. Substitute Teachers – ½ Day	33	33	81,430

14. Salary Benefits	EPS Percentage	
A. Teachers, Guidance, Librarians, and Health	19.00%	1,385,319
B. Education and Library Technicians	36.00%	117,815
C. Clerical	29.00%	99,166
D. School Administrators	12.00%	84,618
		<u>1,686,918</u>

15. Regional Adjustment For Salaries, Benefits, & Substitutes (Factor .98) -206,662

Total EPS Salaries, Benefits, & Substitutes Times Regional Factor
(\$10,333,131 X .98 = 10,126,468) - \$10,333,131 = -\$206,662

35 Labor Market Areas



- | | |
|-----------------------|-----------------------|
| 1. Kittery/York(1.06) | 19. Dexter(.94) |
| 2. Sanford(1.03) | 20. Ellsworth(.93) |
| 3. Biddeford(1.09) | 21. Otr Bangor(.89) |
| 4. Portland(1.08) | 22. Rumford(.93) |
| 5. BathBruns(1.02) | 23. Lincoln(.86) |
| 6. Boothbay(1.03) | 24. Farmington(.96) |
| 7. Sebago Lakes(.94) | 25. Calais(.96) |
| 8. Lew-Auburn(.98) | 26. Patten(.88) |
| 9. Rockland(1.00) | 27. Millinocket(.88) |
| 10. NorwayParis(.94) | 28. Houlton(.88) |
| 11. Stonington(.95) | 29. Skowhegan(1.03) |
| 12. Augusta(.95) | 30. Greenville(.95) |
| 13. Waterville(.97) | 31. DoverFoxcrft(.95) |
| 14. Belfast(1.01) | 32. Presque Isle(.90) |
| 15. Bucksport(.94) | 33. Van Buren(.99) |
| 16. Jonesport(.84) | 34. Fort Kent(.99) |
| 17. Bangor(1.02) | 35. Madawaska(.99) |
| 18. Machias(.84) | |

Page 1 Line 18 E.P.S Rates

	K-5	6-8	K-8	9-12	TOTAL
11 AVERAGE ATTENDING PUPILS (APRIL & OCTOBER) , CALENDAR YEAR 2007	1,621.0	774.0	2,395.0	1,133.5	3,528.5

12 Position	K-5	6-8	9-12	E.P.S. FTE	Actual FTE	= Ratio	X	EPS Total Salary	=	Elementary Salary	Secondary Salary
A. TEACHERS	95.4 (17:1)	48.4 (16:1)	75.6 (15:1)	= 219.4	/ 252.5	= .87	X	11,224,122	=	6,640,190	3,124,796
B. GUIDANCE											
C. LIBRARIANS											
D. HEALTH (Nurse)											
E. EDUCATION TECHS											
F. LIBRARY TECHS											
G. CLERICAL											
H. SCHOOL ADMIN.											

13. Other Support Costs (Per Pupil)	K-8	9-12

14. Salary Benefits	EPS Percentage

15. Regional Adjustment For Salaries, Benefits, & Substitutes, (Factor .98)

16. Adjustment for Title I Revenues

17. TOTALS	13,343,879	6,711,437
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18. E.P.S Rates	5,572	5,921
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EPS Rate Equals Total Divided by Attending Pupil Count

$$\frac{\$13,343,879}{2,395} = \$5,572$$

Operating Costs

Total Operating Cost Calculation for Auburn

Total Population				Pupils		EPS Rate	Total Allocation
• K-8 Pupils				2396.5	X	\$5572.00	= \$13,353,298.00
• 9-12 Pupils				1125.0	X	\$5921.00	= <u>\$6,661,125.00</u>
							\$20,014,423.00
Weighted Amounts		EPS wt.					
• Disadvantaged K-8		.15	X	1082.0	X	\$5572.00	= \$904,335.60
(@45.15%)	9-12	.15	X	507.9	X	\$5921.00	= \$451,091.39
• Limited English K-8		.50	X	121.0	X	\$5572.00	= \$337,106.00
	9-12	.50	X	29.0	X	\$5921.00	= <u>\$85,854.50</u>
							\$1,778,387.49

Page 2 Line 23 - Weighted Counts

19. RESIDENT PUPILS	K-8	9-12	TOTAL
APRIL 2005	2,364.0	1,114.0	3,475.0
OCTOBER 2005	2,330.0	1,137.0	3,467.0
APRIL 2006	2,307.0	1,092.0	3,399.0
OCTOBER 2006	2,334.0	1,144.0	3,478.0
APRIL 2007	2,359.0	1,121.0	3,480.0
OCTOBER 2007	2,434.0	1,179.0	3,563.0

21. BASIC COUNTS	AVG. CAL. YEAR PUPILS	DECLINING ENROLL. ADJ.		SAU EPS RATES		
K-8 PUPILS	2,396.5	0.00	X	5,572.00	=	13,353,298.00
9-12 PUPILS	1,125.0	0.00	X	5,921.00	=	6,661,125.00
ADULT ED COURSES AT .1	2.000		X	5,921.00	=	11,144.00
EQUIV. INSTRUCTION PUPILS	1.875		X	5,921.00	=	11,101.88

23. WEIGHTED COUNTS		PUPILS		WEIGHTS			
K-8 DISADVANTAGED @ .4515		1,082.0	X	.15	X	5,572	= 904,335.60
9-12 DISADVANTAGED @ .4515		507.9	X	.15	X	5,921	= 451,091.39
K-8 LIMITED ENGLISH PROF.		121.0	X	.50	X	5,572	= 337,106.00
9-12 LIMITED ENGLISH PROF.		29.0	X	.50	X	5,921	= 85,854.50

K-8 Economically Disadvantaged

Free & Reduced Lunch Percentage Times Pupils Times 15% EPS Weight
.4515 X 2396.5 = 1,082.0 X .15 X \$5,572 = \$904,335.60

Page 2 Line 30 - Adjusted Total Operating Allocation

21. BASIC COUNTS	AVG. CAL. YEAR PUPILS	DECLINING ENROLL. ADJ.		SAU EPS RATES		
K-8 PUPILS	2,396.5	0.00	X	5,572.00	=	13,353,298.00
9-12 PUPILS	1,125.0	0.00	X	5,921.00	=	6,661,125.00
ADULT ED COURSES AT .1	2.000		X	5,921.00	=	11,144.00
EQUIV. INSTRUCTION PUPILS	1.875		X	5,921.00	=	11,101.88
23. WEIGHTED COUNTS	PUPILS	WEIGHTS				
K-8 DISADVANTAGED @ .4515	1,082.0	X .15	X	5,572.00	=	904,335.60
9-12 DISADVANTAGED @ .4515	507.9	X .15	X	5,921.00	=	451,091.39
K-8 LIMITED ENGLISH PROF.	121.0	X .50	X	5,921.00	=	337,106.00
9-12 LIMITED ENGLISH PROF.	0.0	X .50	X	6,378.00	=	85,854.50
25. TARGETED FUNDS	PUPILS	WEIGHTS				
K-8 STUDENT ASSESSMENT	2,396.5		X	40.00	=	95,860.00
9-12 STUDENT ASSESSMENT	1,125.0		X	40.00	=	45,000.00
K-8 TECHNOLOGY RESOURCES	2,396.5		X	90.00	=	215,685.00
9-12 TECHNOLOGY RESOURCES	1,125.0		X	273.00	=	307,125.00
K-2 PUPILS	861.5	X .10	X	5,572.00	=	480,027.80
27. ISOLATED SMALL SCHOOL ADJUSTMENT						
K-8 SMALL SCHOOL ADJUSTMENT					=	0.00
9-12 SMALL SCHOOL ADJUSTMENT					=	0.00
OPERATING ALLOCATION						23,036,911.37
OPERATING ALLOCATION WITH EPS TRANSITION AT 97%						22,345,804.02
30. ADJUSTED TOTAL OPERATING ALLOCATION						22,345,804.02

Adjusted Total Operating Allocation

Total Operating Allocation Adjusted to Required 97% for FY2009

\$23,036,911.37 X .97 = \$22,345,804.02

Applying the EPS Model to **Auburn** for FY2009

100% EPS Model

\$31,141,757
State & Local

Debt Service

\$1,441,448

*Major Capital Construction Debt
Temporary Lease Space
Purchase Conversions*

Other Subsidizable Costs

\$6,663,398

*Special Education
Transportation
Vocational Education
Gifted & Talented*

Other Costs

\$6,911

*Benefits
Administration
& Maintenance
Equipment
Instructional Support*

After 606B PL2003

Other Subsidizable Costs

Key EPS Cost Components



Special Education

(Weighted Per Pupil Amounts for each Special Education Student Plus Adjustments for High Cost In-District and Out of District Placements)



Transportation

(Costs for Transportation Based on the Pupil Density or Miles Driven Whichever is Greater and Other Adjustments)



Vocational Education

(An Allocation for Vocational Education Programs Based on Prior Year Expenses)



Gifted & Talented Programs

(An Allocation for Gifted & Talented Programs Based on Prior Year Approved Expenses)

Other Subsidizable Costs

Other Subsidizable Cost Calculations for Auburn

Special Education

Total Allocation

• Base Component Ident up to 15% (126% of EPS Rate X 536 Pupils)	\$3,789,274.00
• Prevalence Adjustment ID. Above 15% (38% of EPS X 130 Pupils)	\$281,852.00
• Size Adjustment	\$0.00
• High Cost In- District Adjustment	\$197,672.00
• High Cost Out-of-District Adjustment (<i>Estimate</i>)	\$ 514,436.00
• Federal Revenues Adjustment	(\$741,052.00)
• Maintenance of Effort Adjustment (to '06-'07 Actual Expenses)	\$1,323,119.13

\$5,365,301.13

Transportation

• Base Costs	\$879,038.23
• Bus Purchases 2006-07	\$131,148.00

\$1,010,186.23

Vocational Education

• Approved Expend 06-07 X 102.9%	\$0.00
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\$0.00

Gifted & Talented

• Approved Expend 06-07 X 102.9%	\$287,910.32
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\$287,910.32

Total EPS Other Subsidizable Costs

\$6,663,397.68

B. OTHER SUBSIDIZABLE COSTS

Page 3 Lines 31 - 39

31. GIFTED & TALENTED EXPEDITURES FOR 2006-07	279,796.23	X	102.9%	=	287,910.32
32. SPECIAL EDUCATION – EPS ALLOCATION					5,365,301.13
34. VOCATIONAL EDUCATION EXPENITURES FOR 2006-07	0.00	X	102.9%		0.00
35. TRANSPORTATION - EPS ALLOCATION					879,038.23
36. TRANSPORTATION (BUS PURCHASES) FOR 2007-08					131,148.00
39. TOTAL OTHER SUBSIDIZABLE COSTS					6,663,397.68

Vocational Education Allocation

Both Gifted and Talented and Vocational Education (CTE) Allocations are expenditure driven calculations. Most recent reported expenditures (2006-07) are inflated by 2.9%

$$\text{\$279,796.23} \times 1.029 = \text{\$287,910.32}$$

Applying the EPS Model to **Auburn** for FY2009

100% EPS Model

\$31,141,757
State & Local

Other Subsidiz

\$6,663,398

Special Education
Transportation
Vocational Educa
Gifted & Talente

Additional Local

*Additional Local Commitment
Including Local Debt Service*

Debt Service

\$1,441,448

Major Capital Construction Debt
Temporary Lease Space
Lease Purchase Conversions

C. Debt Service

Page 3 Lines 41 - 47

41. DEBT SERVICE	NAME OF PROJECT	PRINCIPAL	INTEREST	
AUBURN				
11/01/08	ADD TO SHERWOOD HGTS & FA	376,010.00	92,698.00	468,708.00
05/01/09	ADD TO SHERWOOD HGTS & FA	0.00	85,568.60	85,568.60
09/01/08	NEW PRE K-6 ELEM SCHOOL	480,436.24	179,514.65	659,950.89
03/01/09	NEW PRE K-6 ELEM SCHOOL	0.00	169,905.93	169,905.93
42	TOTAL PRINCIPAL & INTEREST	856,446.24	527,687.18	1,384,133.42
43.	APPROVED LEASES FOR 2007-08			0.00
43A.	APPROVED LEASE PURCHASES FOR 2007-08			57,315.00
44.	INSURED VALUE FACTOR FOR 2005-06			0.00
47.	TOTAL DEBT SERVICE ALLOCATION			1,441,448.42

Total Debt Service Allocation

Scheduled Principal and Interest Payments on all State Approved Major Capital Construction Projects Due in FY 2009 plus Approved Payments on Prior Year FY 2007-08) Lease and Lease Purchases and Most Recent Year Reported Payments (FY 2006-07) to Eligible Private Schools for IVF

Applying Chapter 712 EPS Phase-in to **Auburn** for FY2009

97% EPS Model

\$30,450,650
State & Local

Additional Local

*Additional Local Commitment
Including Local Debt Service*

Debt Service

\$1,441,448

*Major Capital Construction Debt
Lease Space
Lease Conversions*

Other Subsidizable Costs

\$6,663,398

*Special Education
Transportation
Vocational Education
Gifted & Talented*

Operating Costs

\$22,345,804

*Salary and Benefits
System Administration
Operation & Maintenance
Supplies & Equipment
Other Instructional Support*

No Reduction

Reduced to 97% of Total

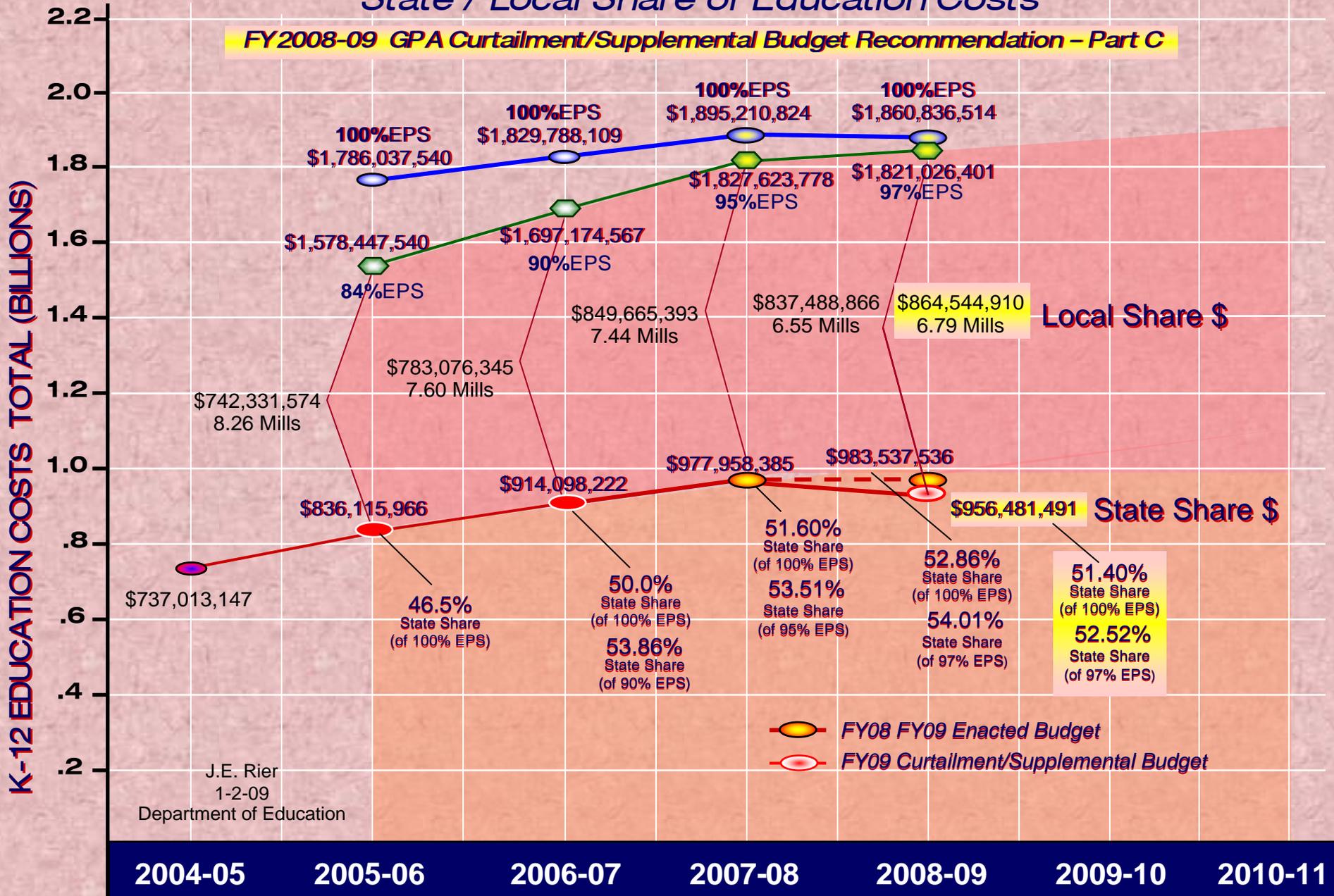
Maine's New Funding Formula

- ***Limits the Local Share of All EPS Defined Education Costs to 8.0 Mills or Less by FY2008-09***
 - ***Established a New Method of Distribution for the State Share of Education Funding***
 - ***Ensures That a Municipality, Single or Part of an SAU Will Not Be Required to Raise More Than 8.0 Mills of State Valuation for Their Share of Local Education Costs by FY2008-09***
 - ***State Share Becomes the Difference Between the Established Mill Rate Expectation and the EPS Defined Costs Each Year***

Education Funding Law Implementation

State / Local Share of Education Costs

FY2008-09 GPA Curtailment/Supplemental Budget Recommendation – Part C



Applying Chapter 712 State Local Share to **Auburn**

97% EPS Model

\$30,450,650
State & Local

Local Share = Up to 6.55 Mills
X State Certified Valuation for 2007

Additional Local

\$685,889

Additional Local Commitment
Excluding Local Only Debt of \$1,469,958

Construction Debt
Space
Conversions

Operating Costs

\$345,804

Personnel Salaries and Benefits
System Administration
Facilities Operation & Maintenance
Supplies & Equipment
Other Instructional Support

No Reduction

Reduced to 97% of Total

Total EPS Allocation

Total EPS Allocation/Cost - State/Local Share

‘09
97% Model

Total EPS Allocation

\$30,450,650

Auburn Total EPS Allocation

\$30,450,650

State Valuation '07

\$1,922,200,000

Amount Raised Local
(by 6.55 Mills or less)

6.55 Mills

\$12,590,410

State Share

\$17,860,240

Local Only Allocation \$2,155,847

Local Only Debt -\$1,469,958

\$685,889

Total Assessment '09 (Less Debt)

\$13,276,299

Total State Local Spending '09

\$31,136,539

Single Municipality

Auburn

Over
or/Under
100% EPS
(\$5,218)

-0.02%

100% EPS

\$31,141,757

Total EPS Allocation

Total EPS Allocation/Cost - State/Local Share

'09
97% Model

Total EPS Allocation

\$30,450,650

Auburn Total EPS Allocation

State Valuation '07

Amount Raised Local

(by 6.55 or 6.79 Mills or less)

State Share

Local Only Allocation \$2,155,847

Local Only Debt -\$1,469,958

Total Assessment '09 (Less Debt)

Total State Local Spending '09

Auburn

Enacted Budget

Supplemental

\$30,450,650

\$30,450,650

\$1,922,200,000

\$1,922,200,000

6.55 Mills

6.79 Mills

\$12,590,410

\$13,051,738

\$17,860,240

\$17,398,912
(\$461,328) 2.6%

\$685,889

\$13,276,299

\$31,136,539

Reduction 1.5% of total