



STATE OF MAINE
DEPARTMENT OF EDUCATION
23 STATE HOUSE STATION
AUGUSTA, ME 04333-0023

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COMMISSIONER

February 26, 2025

Senator Rafferty, Co-chair
Representative Murphy, Co-chair
Members of the Joint Standing Committee on Education and Cultural Affairs

Senator Rafferty, Representative Murphy, and Distinguished Members of the Education and Cultural Affairs Committee:

L.D. 71, An Act Regarding Special Education Funding, proposes that beginning in fiscal year 2025-26, the minimum state share of an eligible school administrative unit's (SAUs) special education costs per Title 20-A MRSA §15689, sub-§1, ¶B under the Essential Programs and Services (EPS) school funding formula must be 55%.

20-A MRSA §15689, within the EPS school funding formula only effects those SAUs that are determined to be minimum contributors as a result of the prior calculations in that specific fiscal year. A minimum contributor SAU is identified when the calculated total cost of education is less than the local required contribution mill rate cap times the current town valuation. 20-A MRSA §15689 requires that all SAUs receive some amount of funding from the State towards the cost of education. As a result, if a town qualifies for the special education minimum contributor adjustment, they currently receive an allocation from the State equal to 50% of the special education calculated allocation, which reduces their current local contribution amount and increases the state contribution amount accordingly. Thus, reducing the amount of State aid available for all other SAUs within the EPS allocation.

A chart of minimum contributor SAUs receiving the Special Education adjustment per Title 20-A MRSA §15689, sub-§1, ¶B can be found beginning on page 6.

The Maine Department of Education (DOE) has already calculated and released the preliminary FY 2025-26 school funding allocation per the EPS school funding formula. It can be detrimental to recalculate costs for a current fiscal year because of the dynamic nature of school funding. Changing allocations mid-year can cause SAUs difficulty in maintaining precise cost estimates throughout the year; municipalities depend on these precise cost estimates.

At this time for the upcoming school year FY 2025-26, 79 out of 252 SAUs - 31% - are minimum contributors. Of those, 62 are eligible to receive the special education adjustment. This component of the funding formula is dependent upon the annual total calculated cost of education per the EPS formula and Maine's list of minimum contributors changes annually. Maine's minimum contributors (62 SAUs) receive an adjustment at 50% of their calculated special education allocation which equates to a total of \$22,383,877.23 in FY 2025-26. A current example of a minimum contributor SAU in FY 25 can be found on page 4. The impact of the minimum contributor special education adjustment (at 50% of special education costs) on the SAU's required local contribution can be viewed on page 5.


If the total amount of the minimum contributor special education adjustment were changed to 55% of their special education allocation, Maine's minimum contributors eligible for this adjustment would receive a total of \$24,842,071.87, an increase to the total cost of education of \$2,669,057. This change would result in a reduction to the required local contribution of \$2,669,057 and an increase to the state share requirement of \$2,669,057. If the funding were not provided by the state for this increase to the total cost of education, the state would not meet the required 55% state share of the total cost of education for FY 2025-26.

The Maine Department of Education, in collaboration with our colleagues at the Maine Policy Research Institute (MEPRI) is engaged in an on-going review of the metrics that contribute to the EPS funding formula. Title 20-A, Chapter 606-B, §15686-A outlines the component review cycle. For example, the minimum amount of the minimum contributor special education adjustment per Title 20-A MRSA §15689, sub-§1, ¶B has been adjusted often since the start of the EPS funding formula in FY 06; most recently it was changed to 50% in FY 21. In tandem, MEPRI is at work on a comprehensive EPS study required by Resolve 2023, Chapter 164, which requires, among other components, a review of expenditure-driven elements such as special education costs. This report is expected to be complete in Spring 2025.

It is important to note the interconnectedness of EPS funding formula components. Individual component adjustments to the EPS formula always have positive and negative impacts on SAUs. Given the finite amount of funding, a calculation to increase one segment will necessarily decrease another segment. It is prudent to examine any one element in the context of a comprehensive study such as the one underway with MEPRI. In order to make equitable decisions that cause the least harm to our SAUs, the Department will need to dedicate time and resources to analyze the implications of any change. It would be helpful if the findings of the MEPRI report were available prior to making a change to the percentage at this time.

The Department will be available to provide additional information on L.D. 71 and respond to any questions during the upcoming work session.

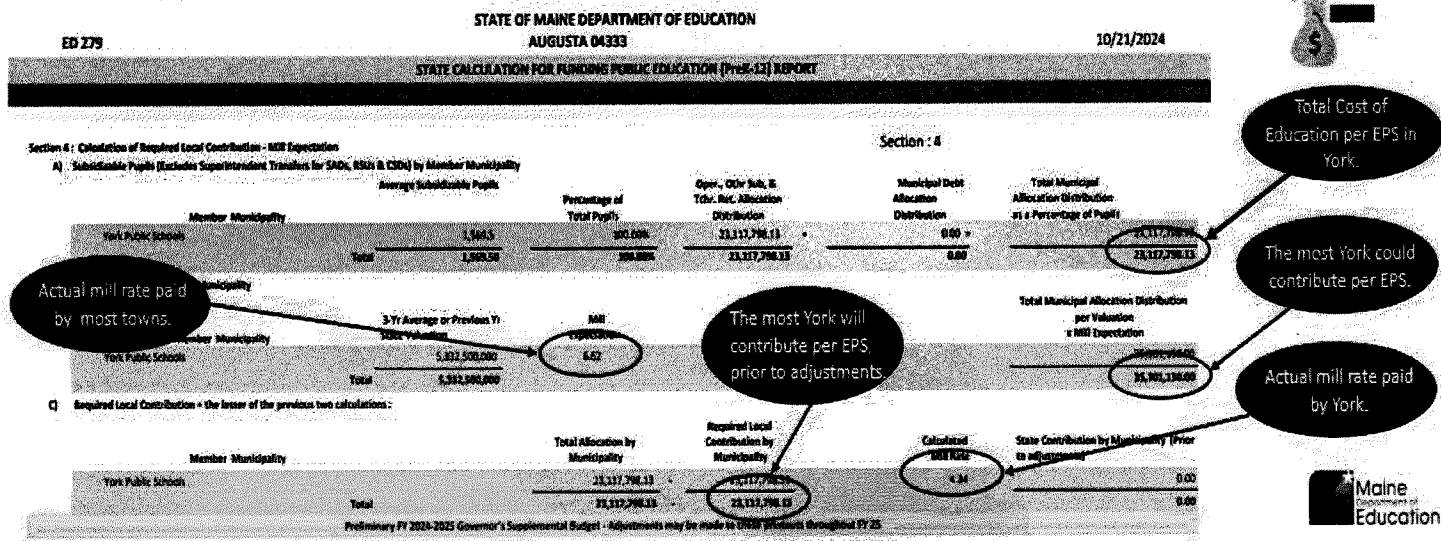
Sincerely,

DocuSigned by:

 C40B7R459DCE49F...
 Paula Gravelle

Director of Public School Finance

Minimum Contributor Status – what does it mean?

- Remember, the EPS funding formula is used to equitably distribute *limited* State funds to the areas that need them the most.
- In FY 25, 85 out of 255 School Administrative Units (SAUs), 34% are minimum contributors.
 - In other words, towns contributed *less* than the current Mill Rate local contribution cap, because the cost of education they were responsible for was less than the mill rate cap x their town's valuation.
- As a result, if an SAU has a higher valuation times the current mill rate cap, (aka: higher ability to pay towards education), the EPS formula will provide less state funds to them, so it can provide more state funds to SAUs that do not have as great an ability to pay for the cost of education using local property taxes.



Minimum Contributor Adjustments – how does it work?

- Per Title 20-A, §15689, subsection 1: Each school administrative unit must be guaranteed a minimum state share of its total cost of education that is an amount equal to the greater of the following:...
- In this example, York receives a minimum contributor adjustment equal to 50% of their special education allocation from Section 3 of the ED 279. The adjustment reduces the local share and increases the state share.
- As a result, the actual mill rate that York is contributing towards the cost of education is 3.91 mills.

STATE OF MAINE DEPARTMENT OF EDUCATION AUGUSTA 04333				10/21/2024
ED 279 STATE CALCULATION FOR FUNDING PUBLIC EDUCATION (PreK-12) REPORT				
Section 5: Totals and Adjustments				
	Total Allocation	Section 5		
		Local Contribution	State Contribution	
A) Total Allocation, Local Contribution, and State Contribution Prior to Adjustment	23,117,798.13	23,117,798.13	0.00	
2) Adjustment for 50 % of Special Education costs		-3,116,122.40	3,116,122.40	
Totals after adjustment to Local and State Contributions	23,117,798.13	20,001,675.73	3,116,122.40	
B) Other Adjustments to State Contribution Only				
1) Plus Audit Adjustments			0.00	
2) Less Audit Adjustments			0.00	
3) Less Adjustment for Unappropriated Local Contribution			0.00	
4) Less Adjustment for Unallocated Balance in Excess Per Title 20-A, §15689-B, Subsection 6			0.00	
5) Special Education Budgetary Hardship Adjustment			0.00	
6) Career & Technical Education Center Allocation			0.00	
7) Plus Long-Term Drug Treatment Centers Adjustment			0.00	
8) Education Service Center Member Allocation			0.00	
9) Minimum Teacher's Salary Adjustment			0.00	
10) Less MaineCare Seed - Private			(27,719.43)	
11) Less MaineCare Seed - Public			0.00	
12) Multilingual Learner Hardship Funds			0.00	
C) Adjusted State Contribution			3,088,402.97	
Local and State Percentages Prior to Adjustments:	Local Share % =	100.00 %	State Share % =	0.00 %
Local and State Percentages After Adjustments:	Local Share % =	86.52 %	State Share % =	13.48 %
FY1: 100% EPS Allocation	23,117,798.13			

Adjustment reduces
local contribution &
increases state
contribution

Minimum Contributor SAUs Receiving Special Education Adjustment of 50% Special Education Allocation in FY24, FY25, & FY26 with Adjustment Amounts

ORG ID	Minimum Adjustment School Administrative Units	FY2025-26 SAU Does Not Operate Schools	FY2025-26 Oct to Oct Average Subsidizable Students	FY2025-26 Minimum Special Education Adjustment 50% ED279Sec5A.2	FY2024-25 Minimum Special Education Adjustment 50% ED279Sec5A.2	FY2023-24 Minimum Special Education Adjustment 50% ED279Sec5A.2
2	Acton		337	\$560,441.42	\$619,319.00	\$470,347.88
53	Bar Harbor		344.5	\$847,560.41	\$739,925.31	\$650,586.63
62	Beals		43.5		\$1,461.94	
64	Beddington	1	7			\$5,870.31
72	Blue Hill		390	\$435,778.56	\$450,262.80	\$345,769.60
1031	Boothbay-Boothbay Harbor CSD		405.5	\$777,772.05	\$820,353.22	\$610,681.60
74	Bowerbank	1	14.5	\$32,118.26	\$31,153.67	\$18,674.18
77	Bremen^	1			\$8,203.19	\$22,446.60
1633	Brighton Plt.	1	5.5	\$1,960.29	\$4,798.71	\$8,118.58
88	Bristol		273	\$441,494.77	\$516,301.71	\$445,449.90
90	Brooklin		79	\$146,162.39	\$45,688.82	\$94,034.12
92	Brooksville		75	\$104,383.93	\$81,961.32	\$94,932.75
1825	Byron	1	4.5	\$7,467.92	\$13,241.51	\$8,163.62
1402	Caratunk	1	6	\$7,432.98	\$7,125.10	
549	Carrabassett Val	1	68	\$44,699.88	\$35,070.58	\$20,875.88
124	Carroll Plt.	1	14		\$4,334.30	
125	Castine		67	\$94,454.25	\$77,745.97	\$82,885.63
1433	Chebeague Island		31.5	\$82,281.35	\$56,528.13	\$53,140.19
138	Coplin Plt.	1	8.5	\$5,740.53	\$6,954.15	\$6,878.97
139	Cranberry Isles		14.5	\$31,229.85	\$43,176.74	\$38,578.15
142	Crawford	1	5.5	\$6,942.52	\$6,865.55	
147	Deblois	1	9	\$15,803.63	\$18,452.46	\$18,066.24
1049	Deer Isle-Stonington CSD		330.5	\$431,825.13	\$489,587.43	\$434,348.68
1627	Eustis		71	\$84,649.90	\$84,275.25	\$72,807.26
275	Frenchboro		3.5	\$16,573.20	\$13,842.43	\$13,241.47
188	Georgetown		109	\$149,242.74	\$122,894.24	\$132,179.09
207	Grand Lake Str Plt.	1	3.5	\$12,255.52	\$6,832.43	\$9,140.13
210	Greenville		118	\$212,837.10	\$211,426.09	\$235,513.39
224	Highland Plt.	1	2		\$6,572.88	
229	Islesboro		54.5	\$101,827.22	\$74,079.15	\$76,036.48

Minimum Contributor SAUs Receiving Special Education Adjustment of 50% Special Education Allocation in FY24, FY25, & FY26 with Adjustment Amounts

ORG ID	Minimum Adjustment School Administrative Units	FY2025-26 SAU Does Not Operate Schools	FY2025-26 Oct to Oct Average Subsidizable Students	FY2025-26 Minimum Special Education Adjustment 50% ED279Sec5A.2	FY2024-25 Minimum Special Education Adjustment 50% ED279Sec5A.2	FY2023-24 Minimum Special Education Adjustment 50% ED279Sec5A.2
242	Kittery		956	\$1,980,480.04	\$1,811,759.68	\$1,730,348.10
1351	Lake View Plt.	1	9.5	\$14,534.80	\$7,238.76	\$7,000.69
247	Lakeville	1	3	\$9,785.88	\$9,682.56	\$6,949.68
1665	Lamoine		197.5		\$232,474.15	\$203,791.43
387	Long Island		24	\$40,306.74	\$30,311.86	\$32,713.74
1401	Lowell	1	43			\$17,992.97
1412	Machiasport		88.5		\$61,669.62	
281	Macwahoc Plt.	1	5.5	\$9,591.54	\$6,775.15	\$6,820.80
293	Meddybemps	1	4	\$9,023.28	\$8,935.95	\$8,635.83
304	Monhegan Plt		4.5		\$7,717.59	
1995	Moro Plt	1	2		\$6,901.35	
311	Mount Desert		154.5	\$338,835.71	\$313,474.46	\$264,938.85
994	MSAD 76		37.5	\$49,206.47	\$54,843.85	\$75,159.29
1036	Mt Desert CSD		327.5	\$895,340.48	\$796,728.40	\$743,419.70
315	Nashville Plt.	1	6	\$7,266.51	\$6,907.61	\$6,795.74
321	Northfield	1	19			\$6,443.11
1735	Northport		152	\$302,616.54	\$200,804.41	\$179,362.59
335	Orient	1	12.5	\$16,413.50	\$20,110.65	\$24,491.50
345	Otis		80	\$136,115.70	\$95,673.60	\$108,340.04
351	Penobscot		103	\$122,980.16	\$128,193.63	\$115,982.16
359	Pleasant Ridge Pl	1	4.5	\$13,252.42		
1509	Portage Lake	1	32		\$34,958.70	\$27,827.34
399	Reed Plt.	1	11		\$573.27	\$18,105.59
408	Roque Bluffs	1	17	\$9,581.56	\$6,422.52	\$12,465.56
601	RSU 07/MSAD 07		56	\$102,625.80	\$125,807.52	\$125,213.41
603	RSU 08/MSAD 08		150	\$325,050.50	\$307,112.03	\$294,077.01
1461	RSU 23		622.5	\$1,776,296.39	\$1,523,996.36	\$1,723,443.19
703	RSU 28/MSAD 28		690.5	\$1,133,712.68	\$1,190,358.95	\$1,096,841.67
922	RSU 61/MSAD 61		1521.5	\$1,499,650.65	\$866,781.79	\$711,568.22
1480	RSU 78		179.5	\$339,023.63	\$379,833.47	\$289,733.50

Minimum Contributor SAUs Receiving Special Education Adjustment of 50% Special Education Allocation in FY24, FY25, & FY26 with Adjustment Amounts

ORG ID	Minimum Adjustment School Administrative Units	FY2025-26 SAU Does Not Operate Schools	FY2025-26 Oct to Oct Average Subsidizable Students	FY2025-26 Minimum Special Education Adjustment 50% ED279Sec5A.2	FY2024-25 Minimum Special Education Adjustment 50% ED279Sec5A.2	FY2023-24 Minimum Special Education Adjustment 50% ED279Sec5A.
1738	Saint George		312	\$679,155.47	\$558,396.34	\$476,673.01
1996	Sebago		220	\$430,785.79	\$418,537.80	\$371,676.60
440	South Bristol		88	\$221,635.88	\$188,537.14	\$138,025.98
442	Southport		35.5	\$47,288.75	\$50,203.05	\$46,048.96
456	Southwest Harbor		122	\$427,300.95	\$381,162.86	\$251,631.85
462	Surry		192	\$165,897.30	\$193,193.71	\$205,718.23
466	Tremont		129	\$440,407.91	\$343,084.11	\$289,517.06
468	Trenton		190	\$88,145.86	\$100,846.24	\$27,992.44
470	Upton	1	4	\$39,771.50	\$9,482.07	
1060	Wells-Ogunquit CSD		1419	\$2,027,101.07	\$1,938,392.73	\$1,703,320.20
491	Wesley*	1	13.5		\$9,931.76	\$6,515.27
1736	West Bath		220	\$334,773.60	\$298,342.60	\$268,036.40
1354	West Forks	1	6	\$7,867.05	\$7,236.08	
503	Westmanland	1	0	\$0.00	\$7,415.97	\$7,359.59
1413	Whiting		41.5	\$23,473.88	\$31,173.38	\$46,831.50
509	Willimantic	1	12.5	\$7,134.94	\$25,840.21	\$27,770.94
542	York		1529.5	\$3,658,510.50	\$3,116,322.40	\$3,071,383.74
Total counts		31	12,943.50	62	73	66
Total Sum of Special Education Adjustment				\$22,383,877.23	\$20,512,580.42	\$18,745,730.81

^ Not an SAU in FY26.

* Had a school prior to FY26.