



STATE OF MAINE  
DEPARTMENT OF EDUCATION  
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AUGUSTA, ME 04333-0023

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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. 501, An Act to Fairly Fund School Administrative Units for Economically Disadvantaged Students, would increase the weighted count in the school funding formula for economically disadvantaged students under the Essential Programs and Services (EPS) funding formula.

The Department of Education (DOE) supports innovative strategies for providing additional resources to our most vulnerable populations. However, it is important to note that this calculation is based on the number of resident pupils in the most recent calendar year multiplied by the most recent economic disadvantaged available data collected from one of the following sources; free or reduced-price meals applications, alternative economic disadvantaged eligibility form, or direct certification status from the Department of Health and Human Services. Since the implementation of statewide no-cost meals, Maine's poverty calculations have proven difficult to validate.

The Department of Education has been proactively engaged in exploring other methods of certifying economically disadvantaged student populations. Research into the possibility of using direct certification data such as SNAP, RUFA, or Medicaid data as a proxy for student-level poverty is promising, but eligibility in these programs is limited by a requirement that there be an initial child nutrition meal eligibility purpose for disclosing the data. The Department of Education is also aware of efforts organized in other states to use tax data. However, complications arise from this data when differentiating definitions of household are used by different federal agencies (IRS, USDA, etc.). Tax data at the state level also raises privacy concerns and would require a legislative change to add the Department of Education to the list of agencies with access to Maine Revenue data for this purpose. Action on these metrics will require a combined state and national effort to clarify legislative guidance or remove existing statutory restrictions.

The current student data used to calculate the preliminary school funding within the EPS school funding formula utilizes an additional weight of .15 for all students PreK to grade 12 that are identified as economically disadvantaged in the student information system. Increasing the weight from .15 to .25 would result in an increase to the total cost of Education of \$70,294,211; with the State share of that increase at an additional \$38,661,817, and the local share at \$31,632,394; resulting in an increase to the required local contribution mill rate cap from 6.10 to 6.27 (see chart below).

	Economic Disadvantaged Weight .15	Economic Disadvantaged Weight .25	Difference
<b>State Share Total</b>	1,506,035,654	1,544,697,471	38,661,817
<b>State Share Percentage</b>	55.00%	55.00%	
<b>Mill Expectation Estimate</b>	6.10	6.27	
<b>Total Cost of Education</b>	2,738,246,642	2,808,540,853	70,294,211
<b>Local Share</b>	1,232,210,988	1,263,843,382	31,632,394

In the 131<sup>st</sup> Legislature, L.D. 2286 directed the Maine Education Policy Research Institute (MEPRI) and the DOE to study the EPS model of school funding. That work is ongoing, with a report due to the Education and Cultural Affairs Committee on March 15, 2025. L.D. 501 would alter the EPS funding formula and should be considered in conjunction with the recommendations for other changes to EPS.

The Department will be available to provide additional information on L.D. 501 and respond to any questions during the upcoming work session.

Sincerely,

DocuSigned by:

*Paula Gravelle*

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Paula Gravelle

Director of Public School Finance