



STATE OF MAINE DEPARTMENT
OF EDUCATION
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JANET T. MILLS
GOVERNOR

A. PENDER MAKIN
COMMISSIONER

March 8, 2021

Senator Matthea Daughtry, Co-chair
Representative Michael Brennan, Co-chair
Members of the Joint Standing Committee on Education and Cultural Affairs

Dear Senator Daughtry, Representative Brennan, and Members of the Joint Committee,

LD 270, An Act To Amend the Regional Adjustment Index To Ensure School Districts Do Not Receive Less than the State Average for Teacher Salaries seeks to revise the regional adjustment factor in the Essential Programs and Services (EPS) model. For any school unit with a regional adjustment of less than 1.0, this bill, if enacted, would set the regional adjustment to 1.0. This would raise the total cost of education and additional state funds would be needed to maintain or grow the state share percentage, as proscribed by Title 20-A, §15671, 1-A. Additionally, school administrative units would need to raise more local funds due to the increase in the total cost of education.

The Maine Education Policy Research Institute reviews this component of the EPS model every three years. The most recent report on this component was authored in November of 2019 and may be found on the Department's website at: [EPS Reports and Presentations](#). This report provides scenarios and fiscal impacts for consideration should the Committee wish to adjust this component. An estimate of fiscal impact to set a regional adjustment of no less than 1.0, based on the most recent MEPRI analysis, would result in a total cost of education increase of \$22.6 million dollars. This would translate into a state share of \$11.7 million dollars and a local share of \$10.9 million dollars. During Maine's current budget challenges, the Department remains committed to increasing General Purpose Aid from 51.78 to 51.83 percent which will be the highest level of state funding committed for education ever before. Adding a provision to include an additional 11.7 million dollars to the funding formula presents additional challenges during this difficult time.

The Department looks forward to continued conversations around LD 270 and will be happy to answer any questions.

Sincerely,

DocuSigned by:
Joanna Allen
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Joanne Allen, Director
School Finance and Operations