



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

JANET T. MILLS  
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COMMISSIONER

April 12, 2023

Senator Rafferty, Senate Chair  
Representative Brennan, House Chair  
Members of the Joint Standing Committee on Education and Cultural Affairs

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

LD 1402, An Act to Provide an Additional Allocation in the School Funding Formula to Cover Tax-exempt Property or a Large Economically Disadvantaged Student Population (EMERGENCY), proposes to provide an additional allocation of school funding for a school administrative unit in which at least 15% of the school administrative unit (SAU) has tax-exempt property that cannot be levied.

While the Department of Education is in support of considering alternative metrics for distributing the local and state share of educational costs, it is not certain that the specified data would deliver more equity. One concern is that adding another adjustment to SAUs with at least a 50% population of economically disadvantaged students is going to further complicate the already difficult process of collecting data related to the current definition of economically disadvantaged students. Further, the Department does not have access to the information that provides tax exempt property status, and the Maine Revenue Services is unable to provide the necessary data.

As outlined in Title 20-A, Chapter 606-B §15686-A the Maine Department of Education is engaged in on-going review of the metrics that contribute to the Essential Programs and Services (EPS) funding formula. In addition, our Title I Team is exploring the data points that inform those allocations to SAUs. Maine currently uses alternative data sets to make these calculations that include post-pandemic information, district-certified student counts, implementation of no-cost meals, and a weighted per-pupil allocation.

It is also 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 would be prudent to examine any one element in the context of a comprehensive study. 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.

The Department will be available to provide additional information on LD 1402 and respond to any questions during the upcoming work session.

Sincerely,

DocuSigned by:  
*Paula Gravelle*

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Paula Gravelle

Director of School Finance

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