

**EDUCATE  
MAINE**



**MAINE  
STATE  
CHAMBER  
of  
COMMERCE**



**HOW IS PUBLIC EDUCATION FUNDED IN MAINE?**

**2020**

# INTRODUCTION

Of all Maine's economic development strategies, education has the greatest return on investment. Investment in education creates lifelong learners, opens pathways to promising careers, and grows the economy. It also produces civically engaged citizens who build vibrant communities.

For the past seven years, Educate Maine has published *Education Indicators for Maine*, a snapshot of Maine's education system through indicators that measure access, participation, and performance.

In addition to *Education Indicators for Maine*, Educate Maine produces policy briefs exploring in depth specific issues related to educational achievement and making recommendations for strategic progress.

This publication provides updates to a previous report originally published in 2017 that describes the state funding mechanism for public schools. State funding is fundamental to how we attempt to achieve fairness and equality of opportunity for our students. Yet it is complex and not widely understood.

This document is designed particularly for newly elected school board members and legislators but should be of interest to all parents and citizens.

The coronavirus pandemic of 2020 has significantly upended the economy to the extent that federal, state, and local revenues are facing a steep decline in the coming years. This brief contains the most recent information available at the time of its writing and therefore does not account for the financial situation

posed by the pandemic. A future installment of this brief will provide updates to these figures. Even so, the current report provides rich context on public education funding in Maine and we hope that it will inform the difficult conversations and decisions that must be faced by the Legislature in the next legislative session.

The policy brief series is brought to you through a partnership between Educate Maine and the Maine State Chamber of Commerce, and through the generous support of the John T. Gorman Foundation and Nellie Mae Education Foundation. The production of the report was made possible by the contributions of Lisa Plimpton (research), Frank O'Hara (writing), and Pica (design and layout).

We want to thank those who have shared their experiences and insights with the writers of this report, in particular: Jim Rier, Former Maine Commissioner of Education; Kate Dufour, Maine Municipal Association; and Gail Senese, Adult Education Director at the Maine Department of Education.

## SECTIONS OF THIS REPORT

- 3 Why is the state involved in local school funding?
- 4 Demographic trends in Maine
- 5 What is the state support for early childhood education?
- 6 Who pays for Maine public schools?
- 7 What proportion of all state and local government spending is on public schools?
- 8 What is EPS, and how does it affect education funding?
- 9 Pre-K to 12: Why does my town get less state aid than the next town?
- 10 What is the state support for higher education?
- 11 How is adult education paid for?
- 12 Recommendations
- 14 Sources



482 CONGRESS ST., STE. 303  
PORTLAND, ME 04101  
207-347-8638  
EDUCATEMAINE.ORG



128 STATE STREET #101  
AUGUSTA, ME 04330  
207-623-4568  
MAINECHAMBER.ORG

# WHY IS THE STATE INVOLVED IN LOCAL SCHOOL FUNDING?

*“Maine has been regarded as a leader in equalizing educational opportunity across its towns. While that leadership was most evident in the funding equalization formulas adopted in the 1970s, a state commitment to ensuring educational opportunity has been evident since statehood.” (Dow and Townsend 1998)*

From the very founding of the state in 1820, Maine’s Constitution has required all towns to make public education available to their youth. Very early on, in 1828, the State provided revenues to help towns with financing this obligation. The first state school aid came from revenues from public land sales and was distributed to municipalities based on a per-pupil formula. In 1833, a banking tax was instituted to provide a more regular source of funds to support education. In 1872, Maine created a School Mill Fund, which collected a one mill property tax from all towns and redistributed money back to the towns on a per-pupil basis. This is the first instance of Maine government redistributing resources from richer to poorer towns in order to equalize student opportunity.

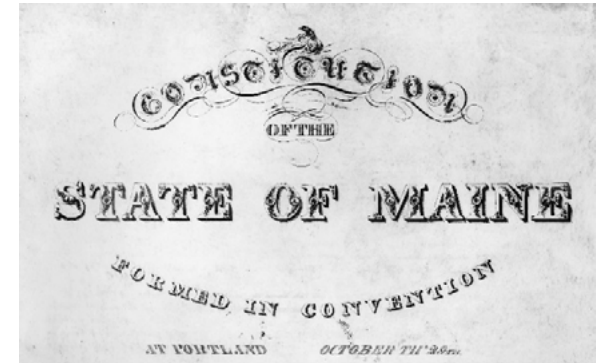
After many refinements and changes over the years, Maine passed the State Uniform Property Tax in 1974. In this system, the state collected a specified mill rate—a tax on the assessed value of property—from all towns, matched the money with state funds, and distributed the funds to the schools. Some towns with high property tax bases ended up paying in more than they got back. This proved to be unpopular, and the Uniform Property Tax was repealed by referendum in 1977.

After the referendum, Maine reconstructed its school aid program in a way that retained the general structure of giving more aid to poorer towns, but did so without the state collecting or disbursing local property tax funds. The state instead allocated revenues from income and sales tax funds to provide its share. In 2004, Maine voters passed a referendum directing state government to pay 55% of local school costs (the state has yet to meet this goal).

In 2005, the Legislature implemented the **Essential Programs and Services (EPS)** funding model. Prior to this law, state education funding levels had been set based upon what the schools had spent in the prior year. The Essential Programs and Services model directs the State Department of Education to set the spending level for school aid based on independent research into best practices. The model allots state aid to support basic needs, and not all budget items that local school boards adopt.

In 2019, new Governor Janet Mills and the Legislature increased K-12 funding in the General Fund by over \$30 million and the state is now paying about half (52%) of all public-school costs. There were other increases in the budget for higher education, K-12 teacher pay, and other items. In the Spring of 2020, the COVID-19 pandemic abruptly changed the state’s economic and educational landscape, which will have far-reaching consequences. We have yet to see the full impact of this crisis on funding for public schools.

**And this is where we are today.**



**Article VIII. Part First. Section 1. Legislature shall require towns to support public schools; duty of Legislature.**

*A general diffusion of the advantages of education being essential to the preservation of the rights and liberties of the people; to promote this important object, the Legislature are authorized, and it shall be their duty to require, the several towns to make suitable provision, at their own expense, for the support and maintenance of public schools; and it shall further be their duty to encourage and suitably endow, from time to time, as the circumstances of the people may authorize, all academies, colleges and seminaries of learning within the State...*

Maine Constitution, 1820



482 CONGRESS ST., STE. 303  
PORTLAND, ME 04101  
207-347-8638  
EDUCATEMAINE.ORG



128 STATE STREET #101  
AUGUSTA, ME 04330  
207-623-4568  
MAINECHAMBER.ORG

# DEMOGRAPHIC TRENDS IN MAINE

In looking at school finance numbers, it is important to keep three long-term trends in mind.

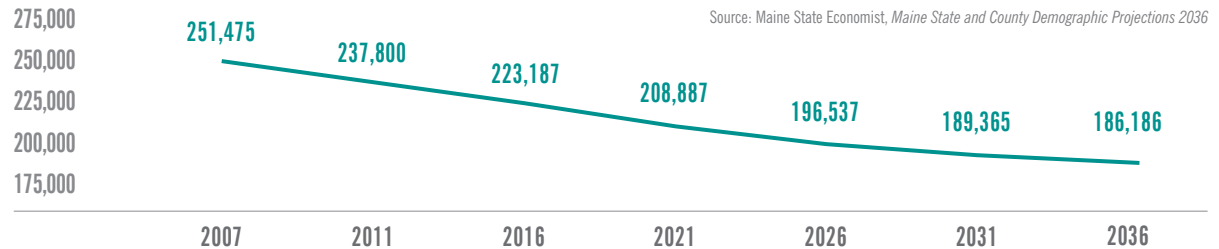
**First, the school-age population has been shrinking** in Maine for several decades, and this trend is projected to continue.

**Second, the proportion of children who come from low-income or disadvantaged backgrounds increased dramatically during the 2008 recession, and only declined by a few percentage points during the recovery.** The economic impacts of the global coronavirus pandemic in 2020 will almost certainly increase the percentage of students who are living in low-income households in the months and years to come.

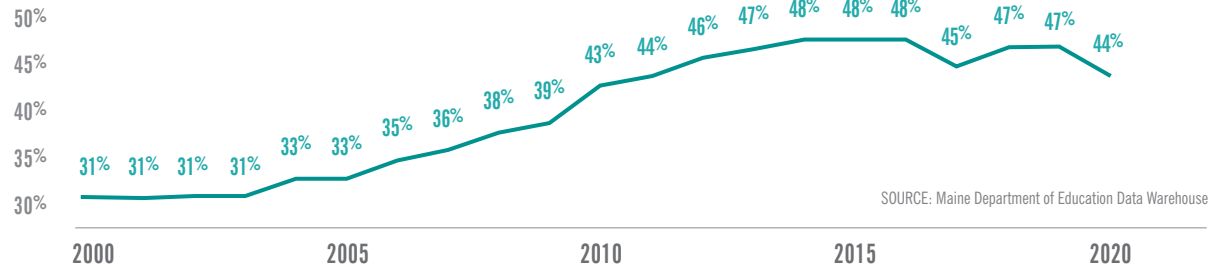
**Third, the proportion of children who require special education services is increasing.**

The reasons for all of these trends are complex and would require a separate report to explore. What matters for the purpose of this report is that public schools have fewer students, but the students have more needs and require more specialized and remedial support—i.e. greater expense.

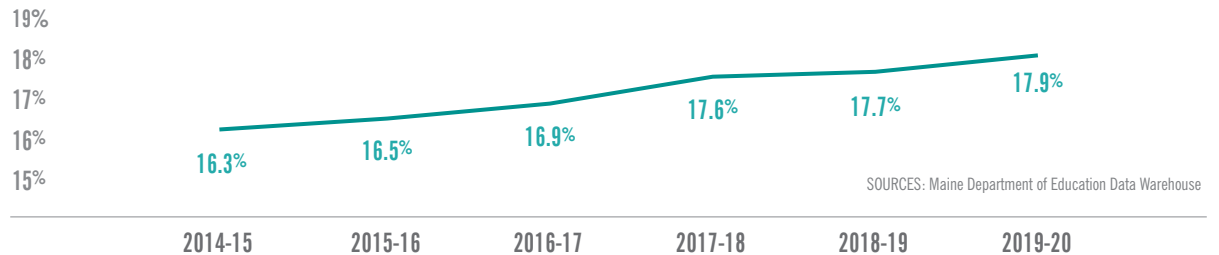
## MAINE SCHOOL-AGE POPULATION PROJECTED TO 2036



## PERCENTAGE OF LOW-INCOME STUDENTS (ELIGIBLE FOR FOOD ASSISTANCE) IN MAINE, 2000-2020



## PERCENTAGE OF STUDENTS REQUIRING SPECIAL EDUCATION, FALL 2014 - FALL 2019



482 CONGRESS ST., STE. 303  
 PORTLAND, ME 04101  
 207-347-8638  
 EDUCATEMAINE.ORG



128 STATE STREET #101  
 AUGUSTA, ME 04330  
 207-623-4568  
 MAINECHAMBER.ORG

# WHAT IS THE STATE SUPPORT FOR EARLY CHILDHOOD EDUCATION?

An earlier report in this series has documented the importance of early childhood education and the high return on investment for public spending in this area (See the Educate Maine brief, *Early Childhood Education: A Strong Foundation for Maine 2016*). Research by Nobel Laureate James Heckman has shown that every dollar invested in high-quality early education can produce up to a 13% return on investment per year in the long term—a rate substantially higher than the 7-10% return previously established for preschool programs serving 3- to 4-year-olds (Heckman 2016).

**Yet only 1 in 9 Maine three-year-olds, and less than half of four-year-olds, participate in a public Pre-K or Head Start program** (State of Preschool 2019).

Just 1% of Maine state expenditures go to early childhood education, compared with 29% for local schools, 9% for higher education, and 5% for teacher retirement (see page 7).

In 2018-19, 77% of districts offered a public preschool program, serving 44% of the state’s four-year-olds. The State spent \$22.2 million on public preschool programs that year.

Head Start deserves special mention. Head Start is a federal child development program aimed at promoting the health, cognitive, and social-emotional development of at-risk children. Head Start serves three- to five-year-olds, and Early Head Start serves infants, toddlers, and pregnant mothers. Children served are those living below the federal poverty level, those receiving public assistance, and those in foster care.

*“We need leaders to recognize the importance of integrating PreK into our public schools. We need to keep supporting early childhood education with standards and expectations.”*

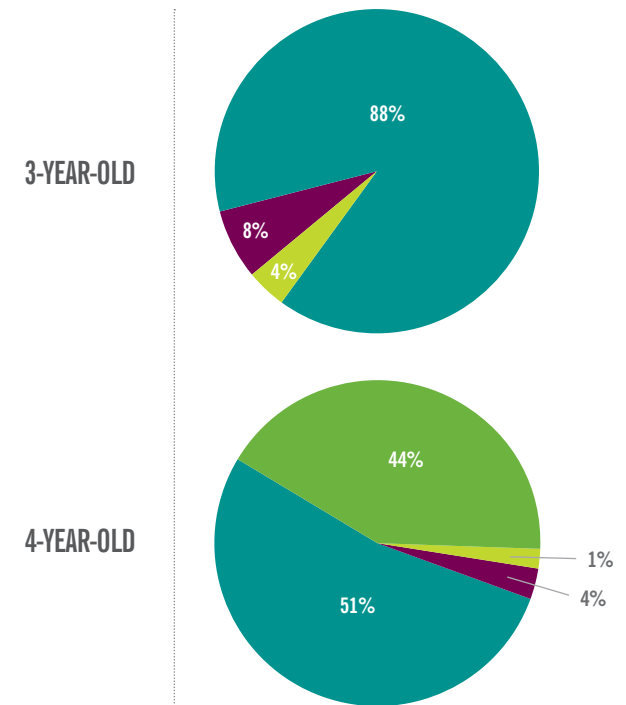
—Jim Rier, former Maine Commissioner of Education

The major funding for Early Head Start and Head Start comes from federal grants, but states have the option to fund additional slots. In 2019, the federal government awarded \$44.3 million for Head Start in Maine, and state government added \$3.1 million.

**3,087 children were enrolled in Maine Head Start programs in 2019—only about 40% of those who were eligible** (*Head Start Program Facts, Fiscal Year 2019*). In general, Maine’s investment in Pre-K education is low. Maine ranks 33rd among the 50 states and District of Columbia in terms of its financial commitment per child in preschool (State of Preschool 2019).

Our public rhetoric strongly supports Pre-K education, but the dollar support lags behind.

## STATE PRE-K AND HEAD START ENROLLMENT AS PERCENTAGE OF TOTAL POPULATION



■ OTHER/NONE ■ PRE-K ■ HEAD START\* ■ SPECIAL ED\*\*

\* Estimates children in Head Start not also enrolled in state pre-K.

\*\* Estimates children in special education not also enrolled in state pre-K or Head Start.

SOURCE: National Institute for Early Education Research, *State of Preschool 2019*



482 CONGRESS ST., STE. 303  
PORTLAND, ME 04101  
207-347-8638  
EDUCATEMAINE.ORG



128 STATE STREET #101  
AUGUSTA, ME 04330  
207-623-4568  
MAINECHAMBER.ORG

# WHO PAYS FOR MAINE PUBLIC SCHOOLS?

Approximately \$2.86 billion was spent in local, state, and federal funds in FY2018 on public elementary and secondary education in Maine.

Over a third (38%) of public school revenues is provided by state funds raised through income and sales taxes. The state goal is to pay 55% of Essential Programs and Services (those local educational programs deemed necessary for a quality education—see page 7 for more detail). The state has yet to meet this goal. In addition, some local districts pay for additional programs beyond those deemed essential, which further increases the local share of total spending.

For reasons described in the demographic section earlier—higher percentages of special education students and students from poor backgrounds—per student education expenditures (adjusted for inflation) have risen about 24% since 2003-2004.

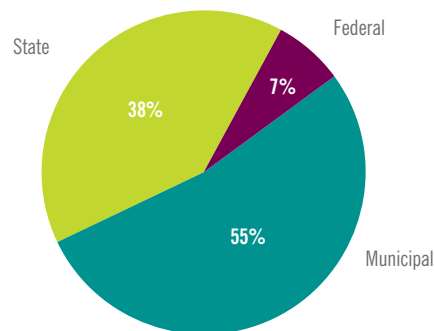
Per student spending varies widely among Maine school districts.<sup>1</sup> Though the state average in 2018-2019 was \$12,443, sixteen of Maine’s 240 districts spent less than \$10,000 per student, and 22 districts spent more than \$20,000 per student (Maine DOE Data Warehouse). The higher spending per student is associated with islands and small rural schools.

Maine’s per student elementary and secondary spending ranked 16th among the 50 states and D.C. in 2018; all other New England states spend more per student than Maine (U.S. Census Bureau 2018).

## SOURCES OF PUBLIC ELEMENTARY & SECONDARY EDUCATION FUNDING IN MAINE, FY 2018

MUNICIPAL MOSTLY FROM PROPERTY TAXES	STATE MOSTLY FROM SALES AND INCOME TAXES	FEDERAL MOSTLY FROM INCOME AND PAYROLL TAXES
1.571 billion	1.107 billion	187 million
55%	38%	7%

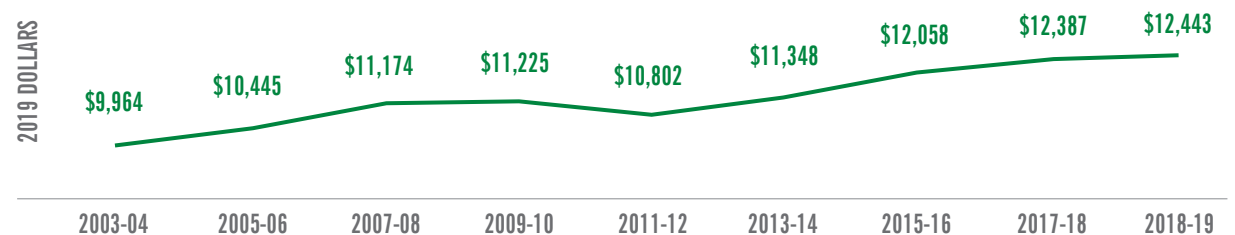
## PUBLIC EDUCATION FUNDING BY SOURCE, FY 2017



Total Elementary and Secondary Education spending: 2.8 Billion

SOURCE: U.S. Census Bureau, 2017 Public Elementary-Secondary Education Finance Data

## PER STUDENT ELEMENTARY AND SECONDARY EDUCATION SPENDING TREND



SOURCE: Maine Department of Education, <https://www.maine.gov/doe/funding/reports/perpupil>  
Adjusted using Bureau of Labor Statistics Consumer Price Index inflation calculator: <https://data.bls.gov/cgi-bin/cpi/calc.pl>



482 CONGRESS ST., STE. 303  
PORTLAND, ME 04101  
207-347-8638  
EDUCATEMAINE.ORG



128 STATE STREET #101  
AUGUSTA, ME 04330  
207-623-4568  
MAINECHAMBER.ORG

<sup>1</sup> Per student spending includes all operations and debt expenditures, but does not include teacher retirement

# WHAT PROPORTION OF ALL STATE AND LOCAL GOVERNMENT SPENDING IS ON PUBLIC SCHOOLS?

The figures in the previous section showed the sources of financing for Pre-K to 12 public schools in Maine. This page is about effort—how much of the state budget, and how much of local budgets, are dedicated to Pre-K to 12 public schools?

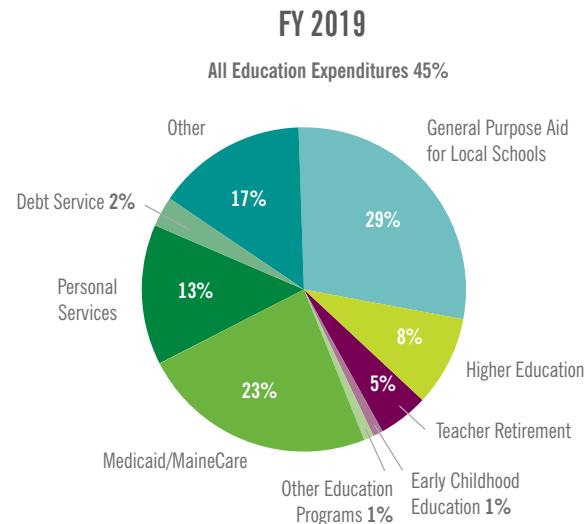
At the state level, public education expenditures as a whole comprise 45% of the state general fund budget. Of this total amount, 8% is for higher education. This leaves 29% for local schools, 5% for teacher retirement, and 2% for early childhood and other education programs.

At the local level, Pre-K to 12 education accounts for about half (48%) of municipal spending in Maine.

*“When communities collect one dollar in property taxes, they first give about 50 cents to the school district and a nickel to the counties. In the process of assessing and collecting property taxes, it is often municipal government leaders that are accused of increasing local government spending. It’s important for property taxpayers to see that, although they pay tax to the town, 50% to 60% of every dollar goes straight to schools and counties. This is why we’re a big proponent of the state paying 55%.”*

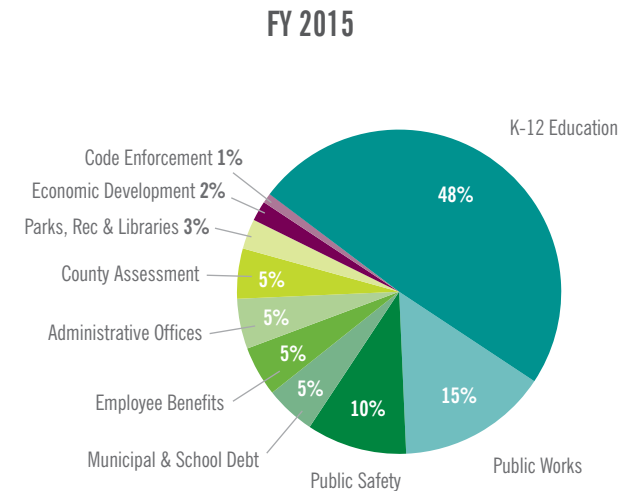
—Kate Dufour, Maine Municipal Association

## STATE GENERAL FUND EXPENDITURES BY TYPE



SOURCE: Maine Legislature Office of Fiscal and Program Review, 2019 Compendium of State Fiscal Information

## MUNICIPAL EXPENDITURES BY FUNCTION\*



\*Excludes state share of K-12 education funding.

SOURCE: Maine Municipal Association, 2015 Fiscal Survey Report

# WHAT IS EPS, AND HOW DOES IT AFFECT EDUCATION FUNDING?

**EPS—Essential Programs and Services**—consists of those activities and expenditures that the state education department deems absolutely necessary for the state to achieve its educational performance goals. All of Maine’s public-school educational formulas begin with EPS.

Prior to 2006 and the implementation of EPS, the total amount of state funds needed for education was based upon calculating 55% of what local schools had spent in the immediate prior year. That was an “expenditure-driven” formula—based on what schools have spent historically. EPS is a “cost-driven” approach. It estimates what local school districts, individually and collectively, should be paying for quality educational services, and sets the total state commitment and individual school commitments based on this budget.

There are two major components to the state funding formula. The first is the determination of how much state money needs to be spent. The second is the determination of how to distribute state funds to the various local districts.

The question of how much needs to be spent is calculated by the Maine Department of Education for the components shown in the following table. The experience of Maine schools, national literature, and expert testimony all come into play in making this determination.

The second step in the process is to create a formula to distribute the state funds among the local districts. This involves the state calculating the EPS expected costs for each of these functions in each district. Adjustments in the formula are made for areas with a high cost-of-living.

The state also calculates a minimum property tax effort for every district, based on property values and student numbers. The state share is what remains—the total need less the affordable property tax contribution. For property-tax rich districts, the state contribution is lower. For districts with low property tax values per student, the state contribution is higher.

*“EPS defines what the costs ought to be. It’s meant to assure fairness in how the state allocates the funding it provides to school districts.”*

**—Jim Rier, former Maine Commissioner of Education**

KEY COMPONENTS OF EPS	
CATEGORY	MAIN ELEMENTS
School Personnel	Regular classroom and special subject teachers, Education Technicians, Library Staff, Counseling/Guidance staff, Health Staff, Administrative, support & clerical staff, Substitute teachers
Supplies and Equipment	Curricular materials, Classroom and office supplies, Equipment
Resources for Specialized Student Populations	Special needs students, Limited English Proficiency, (LEP) students, Disadvantaged students, Elementary (K-2) grade children
Specialized Services	Professional development, Instructional leadership support, Student assessment, Technology, Co-curricular and extracurricular student learning
District Services	System administration, Maintenance of operations
School Level Administrators	Vocational education, Teacher educational attainment, Transportation, Small schools, Debt services



482 CONGRESS ST., STE. 303  
 PORTLAND, ME 04101  
 207-347-8638  
 EDUCATEMAINE.ORG



128 STATE STREET #101  
 AUGUSTA, ME 04330  
 207-623-4568  
 MAINECHAMBER.ORG



# PRE-K TO 12: WHY DOES ONE TOWN GET LESS STATE AID THAN THE NEXT TOWN?

## How does all of this play out at the local level?

Here's an example of two rural school districts with comparable demographics alongside a more affluent district in southern Maine. The rural districts appear similar—both have 450-500 students; both have around 70% of students in a low-income category; and both have around 20% enrollment of special education students. The Cumberland County district has more than three times as many students, and far fewer low-income and special education students.

### 2019-20 STATE FUNDING, SELECTED EPS COMPONENTS

	DISTRICT A (AROOSTOOK)	DISTRICT B (WASHINGTON)	DISTRICT C (CUMBERLAND)
Student Enrollment	468	467	1,591
% Economically Disadvantaged	69%	69%	6%
% Special Education	20%	18%	10%

After all of the EPS adjustments, District A receives \$3.2 million – the highest allocation for the group. This is 63% of its EPS, or \$6,900 per pupil. District B gets \$1.8 million, or 61% of its EPS, or \$3,800 per pupil. And District C gets only \$1.7 million, 9% of its EPS, \$1,000 per pupil (see Chart 1).

## What explains these differences?

- **Local ability to pay:** High property values and a strong local tax base in the Cumberland County district means it pays a much higher proportion of its total allocation than the two rural districts.

- **Local cost-of-living:** Cumberland County (District C) costs of living are considerably higher than the state average, and Aroostook County (District A) has a slightly higher cost of living than Washington County (District B). The EPS adjusts for different salary costs for teachers and school staff.
- **Special education cost variations:** Although District A and B are roughly the same size, District A has twice the allocation for Special Education. District A has several special education students that require high cost services.
- **Transportation:** District A serves six towns in a rural area; District C busses all its students to one central school campus; and District B serves one small town. The Transportation allocation therefore is higher in A and C.

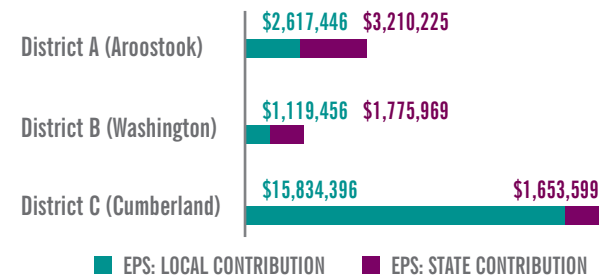
EPS figures do not fully account for local ability and willingness to pay for education.

Municipalities are free to spend more than their local EPS share, and some towns have historically spent less than their EPS share. In this case, the Aroostook district spent 15% more than its EPS allocation; the Washington district spent 5% more; and the Cumberland County district spent 49% more (see Chart 2).

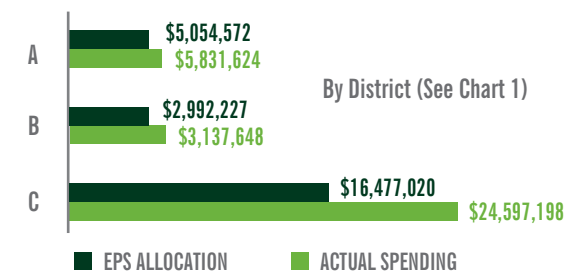
As mentioned earlier, district per pupil spending figures vary widely across Maine. In this particular case, all three districts spent in excess of their EPS shares (see chart 3).

In summary, the details of why your school gets more or less state aid than the district next door requires a deep dive into the details.

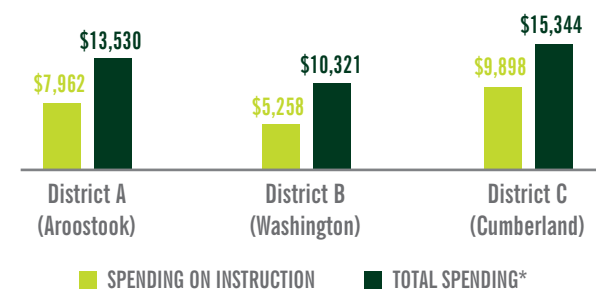
### CHART 1: EPS ALLOCATION FOR 2020-21



### CHART 2: EPS ALLOCATION VS. SPENDING, 2017-18



### CHART 3: SPENDING PER PUPIL, 2017-18

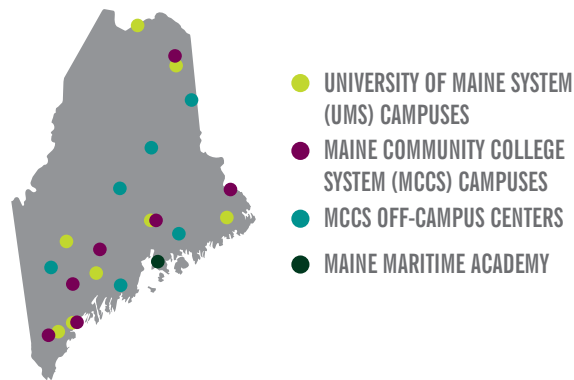


# WHAT IS THE STATE SUPPORT FOR HIGHER EDUCATION?

Public higher education in Maine includes the seven universities of the University of Maine System (UMS) and its Law School, the seven campuses of the Maine Community College System (MCCS), and the Maine Maritime Academy.

State funding per full-time equivalent (FTE) college student is \$8,800, 20% lower than in 2000 (adjusted for inflation). See chart below.

## PUBLIC HIGHER EDUCATION CAMPUSES IN MAINE



## SOURCES OF PUBLIC HIGHER EDUCATION FUNDING IN MAINE (MILLIONS), FY 2020

Tuition and Fees	\$351.9	53%
State Appropriation	\$264.2	40%
Miscellaneous	\$46.6	7%
<b>TOTAL</b>	<b>\$662.7</b>	

SOURCE: Maine State Legislature, University of Maine System

State funding for higher education makes up 9% of total General Fund expenditures. Tuition and fees now exceed state funding as the major source of public college and university revenue.

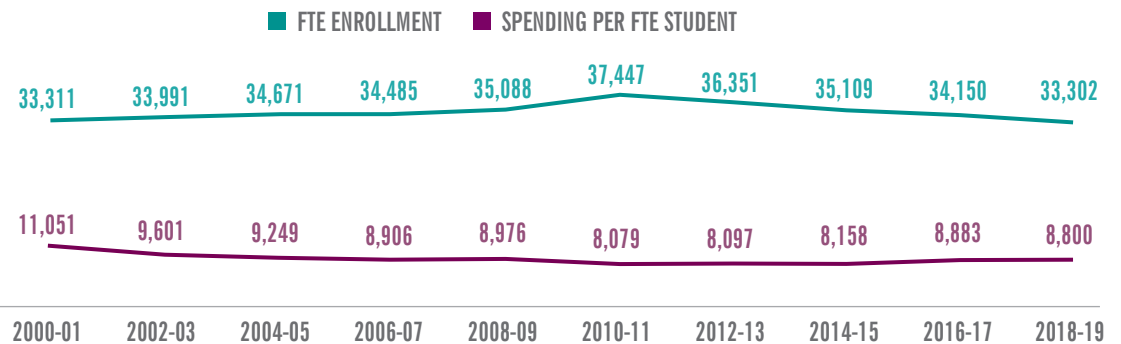
Tuition and fees at Maine's community colleges and public universities remained flat from 2010-2016, and had a modest increase in 2017. The UMaine System is currently holding in-state, undergraduate tuition increases consistent with the Consumer Price Index and the Maine Community College System held tuition at \$94 per credit hour (\$3,620 annually for full-time students) for the 2019-20 academic year. Most other states have seen significant tuition increases over this time, averaging around 10% (College Board).

Still, Mainers pay more for college as a proportion of per-capita income than their counterparts around New England, 38% vs. 34% (Education Indicators 2019).

Beyond direct public college funding, Maine also invests about \$15.7 million per year in grants to college students with financial need through the State of Maine Grant Program (increased by \$3 million in the 2019 state budget) for adult learners. As a point of comparison, federal Pell grants for low-income Maine college students totaled \$89 million in 2017-18.

The publication *College Board Trends in College Pricing 2019* reports that Maine is right at the national average for state public higher education funding per student, both in dollar terms and relative to per capita income. Despite significant progress by the University System in reducing the debt load for its graduates over the past several years, the cost of a college education remains a significant burden for Maine people that must be addressed by policymakers at the state and federal levels in order to achieve true affordability.

## STATE HIGHER EDUCATION EXPENDITURES PER FULL-TIME EQUIVALENT (FTE) STUDENT SINCE 2000



SOURCE: National Center for Education Statistics, Maine State Legislature



482 CONGRESS ST., STE. 303  
PORTLAND, ME 04101  
207-347-8638  
EDUCATEMAINE.ORG



128 STATE STREET #101  
AUGUSTA, ME 04330  
207-623-4568  
MAINECHAMBER.ORG

# HOW IS ADULT EDUCATION PAID FOR?

Over 40,000 Maine people are enrolled in Adult Education programs in 78 school districts across Maine each year. These programs provide basic educational instruction, computer and workplace skills, and enrichment courses in all sorts of topics.

While not mandated by the state, Adult Education programs are offered in most areas with a high school.

- Most programs run year-round and combine both day and evening classes.
- Basic skills courses are offered free of charge and are supported by federal and state funds. Enrichment courses are supported by student tuition payments.
- Many regions offer occupational credentials in such areas as Certified Nurse Aid, Office Skills, Computer Skills, and Customer Service.
- Offerings depend on local needs and can include credentialing, worksite-based education, self-supported community programming, English as a Second Language, literacy classes and tutoring, family literacy programs combining adult and early childhood education and parenting. Distance learning and computer access are also offered across the state.
- In many areas, career and educational counseling are available.
- The nationally recognized Maine College Transitions program is now available in all areas of the state, thanks to a recent increase in state funding.

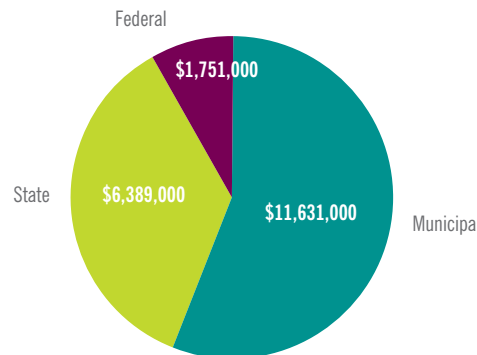
Funds for adult education in Maine come from local tax dollars; a state subsidy providing a partial match to local spending; federal funding for literacy and vocational programs; and tuition and fees paid by individuals, businesses and agencies. The state funding component reimburses a portion of local expenditures.

In all, \$21 million in local, state, and federal funds is spent on adult education in Maine.

## ADULT EDUCATION FUNDING, FY2019

Municipal	\$ 11,631,000	59%
State	\$ 6,389,000	32%
Federal	\$ 1,751,000	9%
<b>TOTAL</b>	<b>\$ 19,771,000</b>	<b>100%</b>

## ADULT EDUCATION FUNDING BY SOURCE, FY 2019



SOURCE: Maine Office of Adult Education

*“The bang for the buck in adult education is great; individuals and families are changed, our workforce is enhanced, and our communities strengthened.”*

— **Maine Adult Education Association**

Because the state subsidy is based on a match of local spending, the state aid tends to tilt to wealthier communities, particularly in tough budget years.

*“We’re fortunate that we have state financial subsidy support in addition to federal literacy dollars. Not all states invest that way in adult education.”*

— **Gail Senese, Adult Education Director for the State of Maine**

Adult education is an important resource offering convenient, accessible, affordable basic education to all Maine citizens. It is a bargain for taxpayers and has the potential for greater use in the future.

*“When workforce development programs are being planned, people need to consider that adult education has the expertise on helping adult learners develop basic skills they may need to participate. I would like to see more integration of adult education services.”*

— **Gail Senese, Adult Education Director for the State of Maine**



482 CONGRESS ST., STE. 303  
PORTLAND, ME 04101  
207-347-8638  
EDUCATEMAINE.ORG



128 STATE STREET #101  
AUGUSTA, ME 04330  
207-623-4568  
MAINECHAMBER.ORG

# RECOMMENDATIONS

## 1) Increase the weighting in the state funding formula to provide more funding for economically disadvantaged students.

In Maine, the EPS formula recently increased the extra funding for each economically disadvantaged student from 15% to 20%. However, recent research indicates that the ratio should be even higher.

A comprehensive Syracuse University study found that “In a typical aid formula, the extra weight for a pupil from a poor family or with limited English proficiency is about 25 percent.”

A Rutgers Graduate School of Education Study found that it costs 10% more to adequately educate students in districts with higher poverty and lower population density, both found in many rural districts in Maine.

## 2) Target additional state funding to those activities which are proven to help economically disadvantaged students.

General Purpose Aid to schools is like a block grant. Schools can use the funds as they think best for a wide variety of activities. However, there is a lot of research available on what teaching approaches work best with economically disadvantaged students. Four years ago, Educate Maine urged in one of the reports in this series (*College and Career Readiness in Maine 2016*) that the state target additional funding to “those activities that ‘move the needle,’ that are proven by experience and research to result in better student outcomes.” The report concluded that “More money needs to be accompanied by more accountability particularly as school enrollment continues to decline in Maine.”

*“The extra amount per economically disadvantaged student in EPS was recently increased from 15% to 20%. There are no guidelines about how districts should direct those funds. Schools need flexibility. But we don’t know how that money is being spent, whether it’s as intended. We need to better define what helps economically disadvantaged students most and put policies in place to encourage districts to use the funding accordingly.”*

—Jim Rier, former Maine Commissioner of Education

In short, Maine schools need both more money for economically disadvantaged students, and more guidance on how to use that money to help those students effectively.

## 3) Continue to aim for the goal of universal voluntary Pre-K enrollment.

This requires:

- a gradual **long-term increase in Pre-K funding in the EPS formula** to cover the additional students being enrolled at the local level;
- **the incorporation of 3-year-olds into school-based Pre-K programs** and covering their costs through the EPS model (as originally recommended in the 2016 Educate Maine policy brief *Early Childhood a Strong Foundation for Maine*).
- **the provision of training, coaching, technical assistance**, and monitoring to local pre-K administrators and teachers by the state Department of Education.

## 4) Explore ways to regionalize special education.

The current system that relies on local school districts to meet the changing needs of special education students creates wide disparities of quality, parents moving from one district to another to “school shop,” sudden shifts of costs from year to year in a given district, and a high rate of cost inflation.

*“Nothing else in the system can throw a budget off as much. It’s not good to have a system that allows those huge spikes.”*

—Kate Dufour, Maine Municipal Association

A solution would be to have a regional special education capacity that school districts in a given area can call upon as needed. The question is how to organize such cooperation. One way is voluntary —promoting regional cooperation among schools. A more radical solution is to have state government employ teachers in each region and cover the cost entirely. Whatever the approach, something better than the current system is needed.

## 5) Incorporate Adult Education into the EPS funding formula and adequately fund it.

The current system tends to steer state funds away from districts where the need for basic remedial education is highest. And the level of state funding is not high enough to fully fund formula reimbursement levels.

*“We have many citizens who need help with basic literacy, and we don’t have enough local resources to serve them all.”*

— Gail Senese, Adult Education Director for the State of Maine

# RECOMMENDATIONS (CONTINUED)

## 6) Gradually increase the share of state funding for higher education.

Maine's public universities are critical economic engines in our rural regions and essential drivers of workforce development across the state, especially through the coming recession brought about by the pandemic. Tuition and fees now exceed state funding as a primary source of higher education revenue, even as the ability of Maine families to bear these costs decreases. As the global economy contracts and shifts, Maine needs to maintain and ultimately grow public investment in higher education, valuing it according to its importance in achieving a full recovery and future economic growth for our state.

## 7) Other suggestions:

- A) **Make better use of the research of the Maine Education Policy Research Institute (MEPRI)** in constructing EPS and school construction grant formulas.
- B) **Fund school construction over 30 years rather than 20.** Even with this change, the schools will be in use far longer than the mortgage payments.
- C) **Revise the Cost of Living adjustments in EPS to reflect higher costs for rural schools.** The legislature recently enacted a new minimum teacher salary to be implemented over time, and this also needs to be reflected in EPS adjustments.

*"In the mix of the new salary minimum, redoing the labor market regions with some good sound reasoning is something we need to do."*

—Jim Rier, former Maine Commissioner of Education



482 CONGRESS ST., STE. 303  
PORTLAND, ME 04101  
207-347-8638  
EDUCATEMAINE.ORG



128 STATE STREET #101  
AUGUSTA, ME 04330  
207-623-4568  
MAINECHAMBER.ORG

# SOURCES

- Educate Maine  
*Education Indicators for Maine 2019*  
[www.educatemaine.org/research-reports](http://www.educatemaine.org/research-reports)
- Maine Policy Review  
*Reforming Maine's Education Funding Process by Patrick Dow and Ralph Townsend (1998)*  
[digitalcommons.library.umaine.edu/mpr/vol7/iss1/2/](http://digitalcommons.library.umaine.edu/mpr/vol7/iss1/2/)
- Maine State Economist  
*Maine State and County Demographic Projections 2036*  
[www.maine.gov/dafs/economist/demographic-projections](http://www.maine.gov/dafs/economist/demographic-projections)
- Maine State Legislature Office of Fiscal and Program Review  
*Total Appropriations & Allocations: All Funds, 2018-2019 Biennium*  
[legislature.maine.gov/doc/3079](http://legislature.maine.gov/doc/3079)  
  
*2019 Compendium of State Fiscal Information,*  
<http://legislature.maine.gov/doc/3508>

## EARLY CHILDHOOD EDUCATION

- The Heckman Equation  
*The Life-cycle Benefits of an Influential Early Childhood Program (2016)*  
[heckmanequation.org/www/assets/2017/01/F\\_Heckman\\_CBA-OnePager\\_120516.pdf](http://heckmanequation.org/www/assets/2017/01/F_Heckman_CBA-OnePager_120516.pdf)
- Maine Children's Alliance  
*2019 Maine Kids Count Data Book*  
[www.mekids.org/site/assets/files/1241/kidscount\\_2019.pdf](http://www.mekids.org/site/assets/files/1241/kidscount_2019.pdf)
- National Institute for Early Education Research  
*The State of Preschool 2019*  
[http://nieer.org/wp-content/uploads/2020/04/Maine\\_YB2019.pdf](http://nieer.org/wp-content/uploads/2020/04/Maine_YB2019.pdf)
- U.S. Department of Health and Human Services  
*Head Start Program Facts: Fiscal Year 2019*  
<https://eclkc.ohs.acf.hhs.gov/about-us/article/head-start-program-facts-fiscal-year-2019>

## PRE-K TO 12 EDUCATION

- Maine Department of Education (DOE)  
*Essential Programs and Services (EPS) Funding*  
<https://www.maine.gov/doe/funding/gpa/eps>
- Maine Department of Education Data Warehouse  
*School District Expenditures by Budget Category*  
[www.maine.gov/doe/funding/reports/expenditures](http://www.maine.gov/doe/funding/reports/expenditures)  
  
*Student Enrollment Data*  
[www.maine.gov/doe/data-reporting/reporting/warehouse/enrollment](http://www.maine.gov/doe/data-reporting/reporting/warehouse/enrollment)  
  
*District ED279 reports*  
[neo.maine.gov/DOE/NEO/eps/public/ed279.aspx](http://neo.maine.gov/DOE/NEO/eps/public/ed279.aspx)
- Maine Municipal Association  
*2015 Fiscal Survey Report*  
<https://memun.org/Legislative-Advocacy/Publications/Fiscal-Survey?EntryId=9356>
- Rutgers Graduate School of Education  
*The Real Shame of the Nation: Causes and Consequences of Interstate Inequity in Public School Investment*  
[drive.google.com/file/d/1cm6Jkm6ktUT3SQplzDFjJly3G3iL-WOtJ/view](https://drive.google.com/file/d/1cm6Jkm6ktUT3SQplzDFjJly3G3iL-WOtJ/view)
- Syracuse University Center for Policy Research  
*How Much More Does a Disadvantaged Student Cost?*  
[surface.syr.edu/cpr/103/](http://surface.syr.edu/cpr/103/)
- U.S. Census Bureau  
*2018 Public Elementary-Secondary Education Finance Data*  
<https://www.census.gov/data/tables/2018/econ/school-finances/secondary-education-finance.html>

## ADULT EDUCATION

- Maine Department of Education  
*Adult Education Home Page*  
<https://www.maine.gov/doe/learning/adulted>
- U.S. Department of Education  
*Adult Education—Basic Grants to States*  
<https://www2.ed.gov/programs/adultedbasic/funding.html>

## HIGHER EDUCATION

- College Board  
*Trends in College Pricing 2019*  
[research.collegeboard.org/pdf/trends-college-pricing-2019-full-report.pdf](https://research.collegeboard.org/pdf/trends-college-pricing-2019-full-report.pdf)
- National Center for Education Statistics  
*Integrated Postsecondary Data System*  
[nces.ed.gov/ipeds/use-the-data](https://nces.ed.gov/ipeds/use-the-data)
- U.S. Department of Education  
*Distribution of Federal Pell Grant Program Funds by Institution*  
[www2.ed.gov/finaid/prof/resources/data/pell-institution.html](http://www2.ed.gov/finaid/prof/resources/data/pell-institution.html)
- University of Maine System  
*FY20 Proposed Unified Operating Budget, Capital Budget & Student Charges*  
<https://www.maine.edu/finance/wp-content/uploads/sites/39/2019/12/FY20-Oper-budget.pdf>



482 CONGRESS ST., STE. 303  
PORTLAND, ME 04101  
207-347-8638  
EDUCATEMAINE.ORG



128 STATE STREET #101  
AUGUSTA, ME 04330  
207-623-4568  
MAINECHAMBER.ORG