



Summary of Feedback and Commentary on Recalibrating the EPS Formula Provided by Maine Professional Judgment Panels and Stakeholder Forums

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July 31, 2013

**SUMMARY OF FEEDBACK AND COMMENTARY
ON RECALIBRATING THE EPS FORMULA
PROVIDED BY
MAINE PROFESSIONAL JUDGMENT PANELS
AND STAKEHOLDER FORUMS**

**Presented to the
Maine Legislature's
Joint Standing Committee on Education and Cultural Affairs**

July 31, 2013

In Part 1 of our Independent Review of Maine's Essential Programs and Services Program, we used the Evidence Based (EB) model lens to analyze the elements, ratios and formulas used in Maine's Essential Programs and Services (EPS) school finance formula. The Evidence Based Model is an alternative, but similar, approach to estimating adequate school funding that was developed by Lawrence O. Picus and Associates' lead partners.¹

On July 16, 17 and 18, our firm conducted five Professional Judgment Panels (PJP) and four Stakeholder Forums. We conducted a PJP and a forum in Presque Isle (July 16), Farmington (July 17) and Bangor (July 17) and two PJPs and a forum in Portland (July 18). The task for the PJPs was to provide input and commentary on the details of the EPS and EB approaches for the purpose of recalibrating the EPS formula. The purpose of the Forums was to gather commentary on any issues related to Maine's school funding system. We believe that the PJPs and Stakeholder Forums provided significant new information that will help the Legislature review and evaluate Maine's school funding structure.

This short synthesis of the input from those PJPs and Forums is provided in two sections. Section 1 presents general and overall commentary that emerged from both the PJPs and the Forums. Section 2 presents comparisons between the EPS and EB elements, formulas and ratios, and the recommendations from our meetings on whether, and if so how, to change them. Recommendations were made primarily, but not solely, by the PJPs.

GENERAL COMMENTARY ON MAINE SCHOOL FUNDING

We present these general comments without any specific recommendation as general background for the legislature as it continues to improve Maine's approach to school funding. They are in no particular order of importance.

1. There was general dissatisfaction with the state's implementation of the voter-approved mandate that the state fund 55 percent of the EPS. This dissatisfaction was twofold: participants in both the PJPs and Forums wanted a clearer definition of what

¹ Allan Odden and Lawrence O. Picus. *School Finance: A Policy Perspective 5th Edition*. New York: McGraw Hill (2014).

is included in the EPS, and there was unanimous support that the state meet its legal commitment to fully fund 55 percent of the EPS.

2. There was concern that while the EPS was initially intended to define a “minimum” level of school funding, over time the EPS has become the “maximum” amount of support for schools in the eyes of many citizens. There was the hope that recalibration of the EPS could move beyond a minimum, and perhaps to a more comprehensive approach that provides sufficient resources for Maine’s educators to offer instruction in all of Maine’s Learning Results. Participants also recognized the need to educate a large portion of students to the new proficiency expectations of the Common Core Curriculum Standards.
3. The state’s approach to funding transportation services should be re-assessed. Many felt the current approach was insufficient and given the recommendations in the EB model for expanded before and after school and summer school programming, the need for transportation and related funding becomes more urgent.
4. There was significant interest and concern about the issue of high property wealth and low household income school districts and how the state’s school funding system and its overall tax system could be designed to recognize these anomalies.
5. There was general dissatisfaction with the current regional cost adjustment in the EPS formula.
6. There was significant concern, by teachers in particular, that the state may be moving toward a teacher compensation system that includes performance pay (or what some Maine educators called “merit pay”). The concern centers mainly on the way performance would be measured and a perception that such a system would undermine collaboration if only certain teachers could attain a higher level of pay.
7. Several individuals made proposals to make the EPS formula more transparent regardless of how it is modified in the future. They suggested placing the components and formulas on the web and making it easy to see how each SAU’s EPS funding is calculated.
8. There was dissatisfaction with the uncertainty surrounding establishment of the required local property tax rate each year. Concerns focused on the variation in the tax rate and the lateness in the budget cycle at which the final rate was established. Participants at both PJP and Stakeholder Forums felt uncertainties complicated their ability to engage in long term planning and budgeting.

In addition to these general findings, below we provide specific examples of the suggestions made by participants at the PJP and Stakeholder Forum sessions.

RECALIBRATION OF THE ELEMENTS OF THE EPS

In this section we compare each programmatic element of the EPS and the EB models and discuss the specific input from the Professional Judgment Panels (and Stakeholder Forums when such specifics were provided). We have attempted to present a synthesis of overall commentary and have not listed every comment that was made.

Preschool

The approaches of the different models are shown below:

Element	EPS	EB
Class Size	Counted as full-day K students, resourced on elementary staffing ratio of 1:17 for teachers	Preschool class size of 1 teacher for every 15 students
Instructional Aides	1:100 for Ed Techs	1 Instructional Aide or Ed Tech for every 15 students

All Panels supported inclusion of preschool in the funding model and supported the EB ratios that include 1 FTE teacher and 1 FTE instructional aide for every 15 PK students.

Class Size and Staffing Ratios

The approaches of the different models are shown below:

Element	EPS	EB
Class Size & Staffing Ratios (Excluding Instructional Coaches which EB adds)	<p>Elementary staffing ratio of 1:17 for teachers</p> <p>Middle school staffing ratio of 1:16</p> <p>High school staffing ratio of 1:15</p>	<p><i>Elementary</i> core class sizes of 15 K-3, and 25 grades 4-5, with additional 20% for elective classes, for overall elementary staffing ratio of 1:15.62</p> <p><i>Middle</i> school core class sizes of 25 with 20% more for elective classes for overall ratio of 1:20.83</p> <p><i>High</i> school core class sizes of 25 with 33% more for elective classes for overall ratio of 1:18.75</p>

Before summarizing the discussion, it should be noted that the EB ratios are enhanced with the inclusion of Instructional Coaches as described below. When coaches, who are not specifically included in the EPS and must be carved from the EPS staffing ratios, are included, the overall staffing ratios in the two models are more closely aligned.

There was considerable discussion of class size and the mix of core and elective teachers in the model. These include the following:

1. There was dislike of the distinction between core and elective classes in the EB model given the requirement that Maine schools teach *all* of the Maine Learning Results subject areas. In other words, the courses the EB model considers “electives” are not optional under the Maine Learning Results.
2. This distinction tended to complicate a comparison of the two approaches and the course offering requirements necessary to meet the Maine Learning Results. Nevertheless, we believe that both EPS and EB approaches are adequate for schools to provide all of the classes required to teach all students all subjects included in Maine’s Learning Results at all school levels.
3. Both approaches are sufficient, for example, for all middle or high schools to provide either a six period schedule with teachers providing instruction for five periods, or a seven period schedule with teachers providing instruction for six of those periods, conditions in several schools represented in the panels. Both EPS and EB are sufficient for other school schedules although the high school approach is more generous than the middle school approach in both models.
4. There was concern about elementary class size “jumping” from 15 in K-3 to 25 in grades 4-5. This concern was expressed in all PJP panels even though it was noted that such a school resourcing approach would allow for elementary schools to have class sizes of about 18 across grades K-5 (assuming the ratios are not mandates on how local SUAs use the resources).
5. Although there was discussion of how various school schedules and the related staffing formulas allowed for sufficient pupil-free time during the regular school day for teachers to work in collaborative teams (using curriculum standards and student data to develop more effective lesson plans and standards-based curriculum units), there was no agreed upon solution to this issue, other than Panels agreeing that there should be time during the regular day for teacher collaborative teams to meet 2-3 times a week. However, several panelists noted that time for individual planning for elementary teachers was scarce, and sometimes non-existent, so additional time for collaborative work might be difficult to produce. The EB model’s use of specialist teachers makes it possible to have five pupil free periods of close to an hour each day.
6. In several SAUs and schools represented by individuals at our meetings, actual class sizes in middle and high schools were above 25, sometimes significantly above 25, in core classes while class sizes were lower in elective subjects. This is typical across the country and raises the issue, from our perspective, of how staff resources are allocated inside schools, given the strong goals in improving student performance in core subjects like math, science, STEM, reading/English/language arts/writing and perhaps history.

7. Some panels recommended reducing class sizes in elementary schools to 18-20, others suggested reducing all class sizes to 20, and one panel recommended modest increases the ratio for elective classes for both elementary and middle schools.
8. When all teachers and instructional coaches are counted toward staffing ratios, using the class size ratios in each model, the staffing ratios are:

	EPS	EB
Elementary	1:17	1:13.45
Middle	1:16	1:18.75
High	1:15	1:17.1

The PJP recommendations would lower all these ratios.

The rationale for smaller classes from all groups is that students come to school with increased needs, not all driven by economic disadvantage. Students have more health, emotional, and behavioral needs than ever before. The smaller class sizes would allow teachers to provide support to all students.

While Lawrence O. Picus and Associates believes the EB recommendations are adequate for achieving high student performance, the Committee should consider the input from the PJPs, all of which suggested smaller class sizes and in some cases more resources for elective classes.

Instructional Coaches/Professional Development

The approaches of the different models are shown below:

Element	EPS	EB
Instructional Coaches	\$24 per pupil	1 instructional coach for every 200 students
Pupil Free Days	NA	Total of 10 pupil free days for the teacher work year so an approximate increase of 5 days and paid at the average daily rate
Resources for Training	\$57 per pupil	\$100 per pupil

Neither the EPS nor EB model recommendations for professional development provide different levels of resources for different school levels. However, the EB provides more robust professional development resources including one instructional coach for every 200 students (e.g., 2 FTE positions for a school of 400 students). Instructional coaches work with collaborative teams helping them to use student data to improve the instructional program, model effective lessons for teachers, observe teachers and give feedback on how to improve their instructional practice, and provide other support as

identified. The EB model provides a total of 10 pupil free days for training. And the EB model provides \$100 per pupil for training (which can be provided by central office staff or outside experts) and other expenses compared to \$57 per pupil in the EPS.

All panels supported the EB approach, particularly the strong emphasis on instructional coaches.

The rationale was at least three fold:

- Effectively teaching students to proficiency in the Common Core Standards will require significantly improved instruction
- The additional needs of the students now attending schools require greater differentiation and accommodation inside regular classrooms
- Technology needs to be woven into all curriculum programs and instruction

All of these issues make the instructional tasks more complex, thus driving the need for an ongoing, systemic and comprehensive professional development program.

One panel suggested that these resources be targeted to ensure that they were spent on instructional coaches and related services, and not in other parts of SAU budgets.

Extra Help for Struggling Students

The approaches of the different models are shown below:

Element	EPS	EB
Economically Disadvantaged Students	Extra weight of 0.15 for each SAU ED student	
Tutors or Tier II Intervention teachers		1 FTE per 100 ED students
Extended Day Academic Help Programs		1 FTE per 120 ED students
Summer School		1 FTE per 120 ED students
Additional Pupil Support (in addition to guidance and nurse discussed below)		1 FTE per 100 ED students
LEP/ELL Students	Extra weight Based on SAU LEP student: <15 0.7 16-250 0.5 >251 0.525	1 FTE per 100 ELL students

All Panels were in agreement that economically disadvantaged students and LEP/ELL students require more instructional resources. And both EPS and EB models provide additional resources to SAUs that have economically disadvantaged students (ED) or limited English proficient (LEP) students (termed English language learning or ELL students in the EB approach). The EB approach provides a higher overall

level of resources for ED students while in the Maine context EPS offers more resources to schools with LEP or ELL students.

The rationale for the EB's heavier emphasis on extra resources for struggling students is that a more robust and intensive set of extra help services can function to keep more students on track to proficiency and over time reduce the number of students identified with a specific disability. This approach also is consistent with and linked to the EB emphasis on enhancing the first dose of instruction, (called Tier 1 instruction in the Response to Intervention (RTI) approach to serving all students), with its more robust set of professional development resources and time for collaborative teacher teamwork. The concept is that if initial instruction is much better and followed with a series of extra help strategies to provide intervention before a student falls behind in learning, then the number of students who would be slotted into special education can be reduced. Indeed, this has happened around the country and even in some Maine districts as reported by more than one director of special education.

All panels agreed with this rationale and supported the EB approach, although several individuals in one Panel suggested that the extra resources for tutors and pupil support should be one FTE per 50 ED students, i.e., twice as many additional resources.

One panel suggested that these resources be targeted funds to ensure that they were spent on extra help services, and not in other parts of SAU budgets.

There was more discussion and disagreement over the LEP/ELL approaches. First, the EB model assumes that most LEP/ELL students also would be ED students they would also trigger the additional resources provided for ED students. Virtually all panelists agreed that assumption was valid in Maine. That assumption in the EB model could explain one difference between the EB and EPS ratios for LEP/ELL students where the EPS approach appears to be much more generous.

Nevertheless, nearly every panel suggested that the EB approach for LEP students was too parsimonious. Thus, the Committee needs to determine the degree to which it wants to keep the current EPS ratios for LEP/ELL students, or some more modest ratio that might be between the EPS and EB models.

A couple of panels noted, moreover, that there is a special case for a number of LEP/ELL students who enter Maine and its education system from backgrounds with little or no formal education and need special attention at least for 1-3 years. The recommendation that emerged from the panels is to develop a set of standards for such "newcomers," not to include them in the count of residential students (for the staffing ratios) but provide funding for them of one FTE teacher for every 10 or so such students. The "newcomer" label would need to be carefully defined as most felt that such intensive support would be needed for more than one year but that such students should eventually transition to regular LEP support and regular classroom programs.

Special Education

The approaches of the different models are shown below:

Element	EPS	EB
Special Education Overall	Extra weight of 1.27 for all identified special education students, plus adjustments for small districts	
Special Education, Mild and Moderate		1 FTE teacher and 0.5 special education aide per 150 all students
Special Education, Severe and Profound		100 % state funded
State aid deductions		Federal Title VIb

There were wide ranging discussions on special education. Most of the panelists noted that the EB approach for the mild and moderate would provide many fewer resources than districts currently provide, particularly special education instructional aides/ed technicians. There was little criticism of the state's current approach to funding special education, though everyone acknowledged that there continued to be small glitches that need some attention each year.

A general consensus was that the panels were skeptical of the census approach in the EB model.

The recommendation of one of the Portland panels offers the best consensus recommendation emerging from the meetings. They suggested:

Using the structure proposed by EB with the state fully funding the costs of students with severe and profound disabilities, and use a different formula for all other students with disabilities. The specific proposal was:

- a. The state would fund 100% of the needs of "high cost" students with disabilities; the "high cost" benchmark would need to be determined over time but it could begin around \$20,000.
- b. The state would provide an "extra weight" for all other special education costs; the weight would be lower than the current weight of 1.27 and would need to be determined over time. The weight would be applied to the identified number of students needing special education services, which would be all special education students minus those in the high cost category.

The important element of this recommendation is that it suggests changes can be made in how costs of special education services are supported by the state over time. Further, while not overly vocal, several individuals did subscribe to the concept in the EB

approach that improved Tier 1 instruction coupled with more comprehensive Tier 2 interventions should lead to a reduction over time in the incidence of special education students.

Gifted and Talented

The approaches of the different models are shown below:

Element	EPS	EB
Gifted and Talented	State approved costs	\$25 per all students

Currently the state provides support for approved costs for those SAUs that provide gifted and talented programs, though many SAUs do not provide such programs. The EB model provides \$25 per student for all students to allow SAUs to enroll students in the Renzulli Learning program, which is an online program for gifted and talented students.

The \$25 per pupil figure is based on the current costs of the Renzulli on-line program, which would be one option for serving gifted students. Though several panelists were aware of and supported the Renzulli program, many also said it worked best with additional teacher support – for which the \$25 per pupil would provide since not all students would participate in Renzulli and the additional resources could pay for limited teacher support if a district chose to do so. Others said that the state should take a more assertive approach to encouraging all SAUs to provide programming for gifted and talented students, an effort which would align with the EB funding system that provides funds for such services for all SAUs.

In comparison to current expenditures, panelists recommended that the amount per all students should be in the \$50-100 per pupil range, rather than \$25 per pupil.

Career and Technical Education

The approaches of the different models are shown below:

Element	EPS	EB
Career and Technical Education	State approved costs	\$9,000 per CTE Teacher for High Tech Equipment

There was strong agreement that the EB approach would not work in Maine. First, Maine has both school-based and regional based career technical education centers. Second, Maine has class size maximums for career technical education that are significantly below the 25 class size in the EB model – a figure that is sufficient for the Project Lead The Way program that was used as the basis for the EB recommendation. Third, not all SAUs provide career technical programs; those that do not then pay tuition for students sent to other SAU programs. Several receiving SAUs said that the tuition amounts rarely covered the extra costs for the career tech programs. And finally, several

panelists said that the current approach for reimbursing costs was solid and also included the uncovered costs of the tuition students from other districts.

The general conclusion was to leave the state’s current approach to career technical education as is, and pay special attention to a forthcoming set of recommendations from a Task Force addressing career technical education, its costs and how the state should participate in costs. Lawrence O. Picus and Associates support that recommendation.

Substitute Teachers

The approaches of the different models are shown below:

Element	EPS	EB
Substitute Teachers	\$36 per pupil	5% of all teaching staff

There was a general perception that the EPS amounts were too small and overall support for the EB approach, which provides substitutes for about 10 days per teacher for absenteeism.

Pupil Support Staff

The approaches of the different models are shown below:

Element	EPS	EB
Pupil Support Staff		
Guidance Counselors	1 FTE per 350 elementary and middle students 1 FTE per 250 high school students	1 FTE per 450 elementary school students 1 FTE per 250 middle and high school students
Nurses	1 health professional per 800 students	1 Nurse per 750 students

In terms of overall provision for guidance counselors, the two models are quite similar; the EPS provides more guidance counselor staff for elementary students and the EB provides more for middle school students and both provide the same for high school students.

Some panelists believed the one FTE per 350 elementary students was better.

Panelists were well aware of the one nurse for every 750 students standard from the National Association of School Nurses, but indicated their schools provide nursing staff at a higher ratio.

The general consensus was to enhance nursing staff by strengthening the ratio to one nurse for every 450-500 students, a ratio that is above both the EPS and EB recommendations. Some panelists suggested nurses should be provided at the same ratio as guidance counselors.

In terms of the need for more nurse staff, the strong consensus across all panels is that Maine students are coming to school with many more physical and medical needs than in the past. There has been an increase in medically “fragile” students, who require health professionals to administer prescription drugs, monitor blood pressure, give insulin shots, address allergies, etc. Panelists felt that the closer the state could come to one nurse per school, but better it would be for the health of school children.

Two panels raised the issue of homeless students. One educator indicated that 10 percent of the students in her district are homeless and consequently require more resources than regular students or even than ED students. A suggestion that arose from the panels was that the state consider a “homeless” program to help deal with the growing incidence of homeless students.

Instructional Aides/Education Technicians

The approaches of the different models are shown below:

Element	EPS	EB
Instructional Aides/ Ed Technicians	1 per 100 pupils K-8 1 per 250 9-12 students	None

Most panelists at all locations said that the trend in both Maine and across the country was to reduce reliance on instructional aides (ed techs in Maine), and increase the use of licensed teachers for additional instructional support in the regular and special education program. (All panels did agree with the formula for preschool classes that includes an instructional aide in every Pre-K classroom.)

As a result, all panels concurred with the EB approach to not provide any additional instructional aides. Although that concurrence was generally tempered with the assumption that high levels of support for students needed to be maintained.

Supervisory or Duty Aides

The approaches of the different models are shown below:

Element	EPS	EB
Supervisory/Duty Aides	No specific allocation	1 FTE per 225 elementary 1 FTE per 225 middle 1 FTE per 200 high school

Instead of instructional aides, the EB model provides for supervisory or duty aides to help getting elementary students on and off buses, monitor the lunchroom, monitor recess and guard doors or help with security in high schools.

The panels generally supported these recommendations.

It should be noted that the distinction between the two models is that EPS provides for Ed Techs and the EB model for supervisory/duty aides. If the salaries provided to these two different groups are similar, the two recommendations are closer than they appear at first glance.

Librarians

The approaches of the different models are shown below:

Element	EPS	EB
Librarians	1 per 800 K-12 students	1 librarian position for every 450 elementary and middle students and every 600 high school students
Library technicians	1 Library technician for every 500 K-12 students	No library technicians

The EB approach emphasizes more librarians compared to the EPS approach that provides more librarian technicians than librarians. The panelists generally supported the EB recommendations with one librarian for every prototypical school, though the two approaches are more similar than different if total resources are assessed.

Principals and Assistant Principals

The approaches of the different models are shown below:

Element	EPS	EB
Principals	1 administrative position per 305 K-8 students 1 administrative position per 315 9-12 students	1 per 450 elementary and middle students 1 per 600 high school students
Assistant Principals	No specific recommendation	1 per 600 high school students

There was strong support for more administrative staffing in schools. Generally, the panels proposed providing an Assistant Principal in each of the prototypical elementary, middle and high schools making the allocation as follows:

Elementary students: 1 Principal and 1 AP position for every 450 elementary students
 Middle school: 1 Principal and 1 AP position for every 450 middle school students

High school: 1 Principal for every 600 high school students and 1 AP position, to include the athletic director, for every 300 high school students

One panel proposed a 0.5 AP position in the prototypical elementary school and an additional 1.0 AP position in the middle school and a reduction in the instructional coach allocation to 1 FTE per 300 (rather than 200) students.

Lawrence O. Picus and Associates does not concur with these recommendations.

Several panelists recommended that the state revisit the staffing ratio for school administrators once a new teacher evaluation system is implemented, particularly if it requires school administrators to conduct multiple teacher observations annually.

School Clerical Staff

The approaches of the different models are below:

Element	EPS	EB
School Clerical	1 per 200 K-12 students	1 per 225 elementary and middle students 1 per 200 high school students

There was general support for either of these recommendations though some panelists thought the allocations should be enhanced so that there would be 3 secretaries in a 450 elementary or middle school and 4 in a 600 student high school.

Lawrence O. Picus and Associates believe either approach would work.

Computer Technologies/Instructional Materials/Student Activities

The approaches of the different models are shown below:

Element	EPS	EB
Computer Technologies	\$95 per K-8 pupil \$288 per high school pupil	\$250 per all pupils
Instructional Materials	\$377 per K-8 pupil \$466 per 9-12 pupils	\$170 per K-8 pupil \$205 per high school pupil
Student Activities	\$33 per K-8 pupils \$111 per 9-12 pupil	\$250 per all pupils

These three categories generated considerable discussion at the PJP meetings. Some panelists thought the numbers should be merged into a single total to be used across all

three areas at the discretion of the SAU or school. Others felt that separating the resources into three categories signaled what sufficient spending would be in each of the three.

The major differences between the two approaches are for instructional materials and supplies, where the EPS numbers are much higher than the EB numbers, and in student activities where the EB numbers include resources for sports and the EPS numbers do not.

Because of the large differences between the two models for instructional materials many panelists supported the EPS approach.

This is an area where the Committee will need to make some hard decisions and could be aided by SAUs providing the rationale for the much higher instructional materials allocation in the EPS.

Central Office

The approaches of the different models are below:

Element	EPS	EB
Central Office	\$215 per pupil	\$494 per pupil to support a prototypical 3,900 Student SAU central office of 9 professional, 9 clerical/secretarial and 1 computer technician positions.

Everyone agreed that the EPS allocation was too small and had been unexpectedly almost halved several years ago. There was general support for the EB approach, which in the cost model computes to \$494 per pupil. Below we discuss how this number is adjusted for districts with fewer than 3,900 students.

In our work in other states we have used a prototypical district of 3,900 students as the starting point for estimating central office resources. The figure is based on a district with four elementary schools with 450 students, two middle schools of 450 students and two high schools with 600 students – or approximately 300 students per grade.

To reflect the needs of smaller districts, the 3,900-student figure can be cut in half to 1,950, which more closely reflects the size of SAUs in Maine. A prototypical district of this size would have two 450 student elementary schools, one 450 student middle school and one 600 student high school. The \$494 per pupil for a central office would allow for 4.5 professional FTE, 4.5 secretarial/clerical FTE and a 0.5 FTE computer technician.

If the enrollment figure of 1,950 students were halved again to represent a district with 975 students it would produce a central office with 2.25 professional and 2.25 clerical positions and a 0.25 computer technician. This 975 student district would have one 450 student elementary school with 75 students per grade, and one 6-12 secondary school with 75 students per grade. The per pupil central office figure would remain at \$494.

In short, though the EB model was premised on a 3,900 student SAU, it can adequately resource SAUs with fewer students and still provide sufficient central office staff.

Panelists supported the EB approach with one exception: there was strong support for a larger number of computer technicians. The recommendations ranged from an additional 3 to an additional 8 for the prototypical 3,900 student SAU. One panel argued that there needed to be at least one computer technician at each school in a district. The Committee will need to determine the degree to which it would agree with this augmentation for central office staffing above what the EB model provides, which is more than twice the EPS model.

Maintenance and Operations

The approaches of the different models are shown below:

Element	EPS	EB
Maintenance and Operations	\$1,013 per K-8 student \$1,204 per 9-12 students To support custodians and groundskeepers as well as major facility renovation	\$494 per pupil to support just custodians and groundskeepers

The EPS figure combines resources for custodians, minor repair, groundskeepers and related expenses as well as funds for major facility renovation, such as replacing a roof, replacing a boiler or HVAC system. The EB approach has specific formulas for each of custodians, minor facilities repair, and groundskeepers, which are detailed in Part I of our evaluation, but does not include funds for major facility renovation. Our cost model estimates this approach would cost \$457 per pupil.

Thus the two numbers cannot be compared and we could not find a clear distinction between the dollars for major facility repair and more general maintenance and operations in the EPS system, although the difference appears to be a function of the resources provided for major facility repair and renovation, something not included in the EB estimates.

For our cost modeling, Lawrence O. Picus and Associates used the Maine figures, but divided them into two parts:

- Typical maintenance and operations including minor repair, using the EB figure of \$457 per K-12 pupil
- Major facility repair and renovation, which became the difference between the EPS figure of \$457, or \$556 for K-8 students and \$747 for 9-12 students.

Benefits

The approaches of the different models are shown below:

Element	EPS	EB
Benefits	Teachers, Guidance	Teachers, Guidance
	Library, Health 21.65 %	Library, Health 21.65 %
	Ed Technicians 36 %	Ed Technicians 36 %
	School Admin 14 %	School Admin 14 %
	Clerical 29%	Clerical 29%

At present for the cost modeling, the EB is using what we believe are the benefit rates used in calculating resources under the EPS approach. Nearly all panelists however, noted that these benefit figures are lower than what districts are actually paying at the present time. One panel estimated that the average health premium across all licensed staff (including single adults, two person families and more than two person families) was about \$16,000, with the SAUs covering roughly three-fourths or \$12,000 of that cost. On an average teacher salary of \$48,000, that equates to a medical benefit rate of 25%. When workers’ compensation, Medicare and unemployment insurance are included, the total rises to approximately 30%. In addition, many districts provide support for dental services, life insurance and disability insurance. Though the current 21.65% includes the 2.65% added for pensions, the current benefit rates seem to be under what most districts provide.

Going forward, the Committee needs to determine if the state should or could support a higher benefits rate not only for teachers, but also for other categories of staff.

Regional Cost Adjustment

The approaches of the different models are shown below:

Element	EPS	EB
Regional Cost Adjustment	The Maine Regional Cost Adjustment based on labor market regions and comparisons of actual teacher salaries adjusted for experience and education	A more economic approach using either the Hedonic or Comparable Wage Index approach

There was general support for a regional cost adjustment, but more support for an index that was no smaller than 1.0. Some border state districts said they compete with New Hampshire and Massachusetts for teachers and wish the Maine adjustment could include that as well.

Most panelists supported moving either to the Hedonic or CWI approach, one that uses a solid economic methodology and seeks to adjust for the prices of education staff and resources holding quality or effectiveness constant.

Teacher Salary Structures

There was very mixed responses to any proposals to change how teachers in Maine are paid. Several panels said that if Maine decided to use some effectiveness metric in salary structures, it could not do so until a new teacher evaluation system, which now is on hold, was developed and was operating effectively and efficiently. And even more panelists stated that even at that time, they would not support changing the structure of teacher salary schedules.

Adjustments for Small Schools

During the past year, Lawrence O. Picus and Associates has estimated educational costs using the ratios and schools in a prototypical district of 3,900 students as described above. We use this approach to estimate a base dollar per pupil cost that can be used for all districts. Resources for ED, ELL and special education students are provided above that base figure in proportion to the enrollment of students with those characteristics. Although the 3,900 pupil district is large in the Maine context, if our approach was used for a prototypical district of 1,950 students, or even for a 975 student district, it would produce the same cost per pupil for general education students.

Finally, as discussed on pages 124 and 125 of Part I of the Evaluation, the EB model includes robust adjustments for districts and SAUs with fewer than 975 students, with specific models for a 390 student district, and for districts with 195 and 97.5 students. For districts with fewer than 97.5 students an alternative cost model was developed. The small school adjustments provided in the EB models we develop provide substantially more resources than the current Maine small district adjustments so should be viewed carefully by the Committee. While these small district models substantially increase per pupil resources for these small districts, there was criticism of these formulas by many school district and school representatives at the Professional Judgment Panels and a suggestion that the EB model may overcompensate for small school size. Some representatives from small districts and schools, though, believed the adjustments were not sufficient.

Under the EPS model, beginning in 2012-13, school districts with fewer than 1,200 students receive an increase of 10% in the staffing ratios for all positions other than teachers.

Final Comments

As Maine has discovered, there are many ways to convert the staffing ratios described above into dollar resources for SAUs. Though Maine began with a prototypical school approach – which is useful for showing how various ratios produce different numbers of staff in a specific school – the State has shifted away from using a prototypical school approach and now applies most staffing ratios to student counts across each SAU.

The EB ratios can also be used in different ways to produce numbers for a school finance formula. For example, the Arkansas Legislature applied the staffing ratios in the EB model to a K-12 district of 500 students, and then converted the numbers into a foundation cost per pupil. On the other hand, in Wyoming, the Legislature has chosen to apply the ratios to every school in the state. As noted above, Lawrence O. Picus and associates applied the formulas to a prototypical district of 3900 students to determine the base per pupil allocation, before the small district adjustments kick in.