Review of Selected Essential Programs and Services Components

Per Legislative Resolve 2286
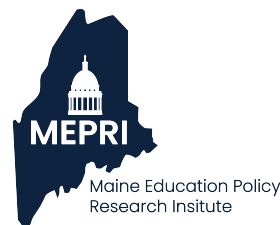
Amy F. Johnson

Jennifer S. Chace

Lisa A. Morris

James E. Sloan

Sharon L. Gerrish

Gretchen A. Scheibel

MEPRI
Maine Education Policy
Research Insitute

Maine Education Policy Research Institute

UNIVERSITY OF SOUTHERN MAINE

Center for Education Policy, Applied Research, and Evaluation

MEPRI
Maine Education Policy
Research Insitute

A Center of the
School of Education and
Human Development

140 School Street, Gorham, ME 04038
(207) 780-5044; TTY (207) 780-5646
www.cepare.usm.maine.edu
A member of the University of Maine System

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POLICYMAKER SUMMARY

In April 2024 the Maine legislature passed a Resolve (LD 2286)[1] that tasked the Maine Educational Policy Research Institute (MEPRI), in collaboration with the Maine Department of Education, with studying various aspects of the Essential Programs and Services (EPS) formula. MEPRI approached these tasks involving both data analysis and stakeholder feedback. The work was divided into five separate categories to aid in organizing the volume of information.

Part I: General Background and Trends

Part II: State Funding, Local Ability to Pay, and Property Valuation

Part III: Regional Costs

Part IV: Special Education

Part V: Statutory adjustments

Additional content is included in appendices. The key findings, implications, and policy options for each section are briefly summarized here, along with a final synthesis of recommendations and next steps.

Part I: General Trends & Background

To frame the study, we first explored changes in the educational cost landscape since the development and implementation of EPS in the early 2000s. This included compilation and analysis of 1) historical data on enrollments and staffing levels; 2) total and per-pupil spending trends in selected budget categories; and 3) comparison of actual spending to the EPS cost model allocations (i.e. the Over/Under EPS reports) over time and by region.

Key Findings

Expectations for public education are variable and changing

The quantitative data show that per pupil spending varies widely from district to district. For example, in FY 2023, the overall spending per pupil statewide was $17,650, but it ranged from a low of $8,850 to a high of over $30,000 per pupil at the SAU level. Feedback provided from stakeholders as part of our study revealed that districts do not have a common, shared understanding of what constitutes an "adequate" education. Stakeholders also shared that community expectations and state requirements have evolved since the inception of the EPS system. As a result, programs and services that are deemed to be essential by some communities may be perceived as optional in others. This contributes to the different levels of spending in schools around the state, leading to uneven educational opportunities for students.

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[1] https://legislature.maine.gov/billtracker/#Paper/2286?legislature=131

Spending on public education has been growing faster than inflation

When EPS was implemented in 2005 with an infusion of additional state subsidy, it increased spending in most districts. But by 2024 most districts were spending well above their model amounts, and the total of all districts' spending was 26% above their combined EPS estimates. The two categories that are driving most of the growth in spending since 2013 are special education and student & staff support.

Special education and student and staff support

In *special education* (discussed in more detail in Part IV), total spending increased by 141% from 2001 to 2021, compared to a 44% increase in inflation index (CPI). Some factors contributing to high local and state costs include an increase in students identified as having a disability and an increase in the intensity of supports deemed necessary to meet students' educational needs. Available data also suggests that school districts are underbilling for MaineCare eligible services, which puts a greater burden on local and state funding to pay these costs.

District spending in the budget category of Student and Staff Support increased 174% from 2001 to 2021 (compared to 44% CPI inflation change). *Student support* includes the costs for student health (guidance, social workers, nurses) as well as instructional technology. Stakeholders commonly identified their need for more social workers in schools as an area where the EPS model is inadequate. *Staff support* includes instructional coaches, professional development, and teacher mentors. Stakeholders (and the Picus review of EPS[2] in 2013) expressed a desire for adding more resources for instructional coaches and mentors to the EPS model, and also named the challenge of funding such positions in small districts.

Student enrollments are declining

Student enrollments have *declined* by 19% since 2001. Some counties have been hit harder than others; Aroostook, Lincoln, and Waldo counties' student enrollments have decreased over 30% since 2001. This means that spending has grown even more dramatically on a per-pupil basis. Per-pupil spending on special education grew 196% from 2001 to 2021, and student and staff support grew 237%.

Policy Issues and Options

Issue #1: Declining enrollments, small schools, and facility costs

- EPS is heavily dependent on per-pupil cost estimates. When enrollments decline, schools are expected to spend less. However, facility and teacher costs, in particular, do not typically decrease until a tipping point is reached (e.g. school closure, school grade reconfiguration, or moving to multi-age classrooms).

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[2] https://legislature.maine.gov/funding-formula-reports-and-presentations

- Communities place a high value on maintaining a school within their town, especially for elementary grades. The local school is a community hub and is seen as essential for keeping and attracting families to the town. The risk of school closure is a common reason for towns to withdraw from an RSU.

- Of Maine's 256 non-charter districts (SAUs) in FY2024, only 111 operated schools for all grades. The remaining 145 either did not operate any schools (63 SAUs) or provided schools for only some grades (82 SAUs), sending their resident students elsewhere for the rest of their education. Maine's long tradition of relying on private town academies to provide a quality high school education has contributed to this educational landscape. However, some of these SAUs with only some (or zero) grade levels are the result of withdrawals from RSUs or other consolidated units.

- While most small schools cannot meet basic operating costs with the per-pupil funding amounts allocated by the EPS model, only those that are considered geographically isolated because they are more than 8 miles from another school with similar grade span receive an adjustment in EPS. Those that are within that commuting range to another school are considered to be small by local choice and do not receive additional funding, other than a modest 10% reduction in school staff ratios if they are in a small school district (less than 1,200 attending pupils[3]). They must therefore rely on local funding if their costs are above the EPS model estimate.

In sum, small schools do not have an economy of scale and are generally more expensive. However, since small towns are an essential part of Maine's rural character and identity, advocates assert that the State has an interest in sustaining them by investing in their schools. This gives rise to a policy question that must be considered to guide any policy changes:

Policy question: Does Maine have an interest in supporting towns to maintain their own small schools, even when they are not geographically isolated?

If YES → Policy options for supporting small schools include:

- Additional cushion for declining enrollments, such as expanding to a 5-year enrollment average. (Maine uses a 3-year average.)

- Developing and adopting a different funding model for small schools that provides a minimum threshold of resources rather than uniform ratios and per-pupil amounts. The CTE funding model illustrates this general approach.

  - To control costs and bolster oversight, enhanced funding for small schools could be combined with a regional structure for administrative and specialized education services through a separate funding mechanism for towns that choose this alternative funding approach.

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[3] https://legislature.maine.gov/legis/statutes/20-A/title20-Asec15679.html

If NO → Policy options for encouraging school consolidation include:

- Status quo: continue to allow "small by choice" through reliance on local funding. This may merit additional oversight to ensure communities are providing adequate programs and services.

- Limit use of state school construction and renovation funds for "small by choice" circumstances, and/or prioritize school construction and renovation funding for school consolidation.

Issue #2: Increasing Need for Student Supports

- To be ready to learn, students must first have their basic physical, mental, and emotional needs met.
- School systems are providing more resources to respond to increasing levels of student need, such as by hiring clinical counselors and social workers, building food pantries, or expanding access to laundry and shower facilities.
- The EPS model for general education currently allocates some basic resources for school counseling and school nurses through the Guidance and Health ratios. This level of support is not intended to meet all the wellness needs a student might have, especially if they are in need of clinical mental health counseling.

Policy question: Should public schools hold the primary responsibility for providing wraparound services to support whole-student wellbeing?

If YES → Policy options for solidifying the expanded role that schools have taken on include:

- Expand EPS model to include additional physical and mental health service providers.

- Expand EPS model to increase related resources for facility needs, administration, program and provider oversight, MaineCare billing, etc.

If NO → Policy options for shifting schools to a "host" role for community-provided services include:

- Build or connect to existing regional infrastructure for service providers.

- Evaluate feasibility of ensuring every district has a link to a school-based health center to facilitate student access and provide administrative oversight, such as through the community school model.

Recommendations and Suggested Next Steps

1. Study the feasibility of creating regional infrastructure for selected student, staff, and administrative services. Based on data analysis and stakeholder feedback, areas that may benefit from a regional approach include special education, professional development, new teacher mentoring and induction, and some district administrative functions.

2. Establish an initiative to more explicitly define the programs and services that are essential for a fully prepared citizenry and workforce, statewide, in the coming decades.

3. Make the EPS model assumptions more visible so communities can see how and where they are operating differently from the prototypical expectations, particularly in teacher ratios and facility costs. This could serve as a first step toward more explicit policy conversations about the value of neighborhood schools and the broader implications of "small by choice" for funding and educational quality.

Part II: State Funding, Local Ability to Pay, and Property Valuation (Resolve 1A, 1B, 1D)

This section of the full report describes Maine's current method for allocating state subsidy and its underlying assumptions. We also provide overviews of the sources of revenue used to raise the state and local shares of the cost of pK-12 public education and the mechanisms used in other states for allocating state subsidy for education. The full report summarizes the results of several new analyses, including:

- Trends in property valuation over time, and characteristics of towns with large changes in total property value;

- Comparison of property valuation (total, per capita, home values) and income-based measures of community wealth/local ability to pay;

- Discussion of technical pros and cons of available measures of income; and

- Policy considerations and options for changing how state subsidy is allocated.

Key Findings

High Property taxes

Maine has a very high reliance on property tax compared to other states. According to the Lincoln Institute of Land Policy[4] Maine is ranked:

1st in the nation for property tax as percentage of personal income (5.3% vs 3.1% nationally)

3rd in the nation for reliance on property tax as source of state and local revenue (23.4% vs. 15.5% nationally)

7th in the nation in per capita property tax ($2,835 in 2021)

Maine's relatively high property taxes have a direct impact on education funding because public education is typically the largest item in municipal budgets. When taxpayers feel that their bill has become more than they can afford, either because total spending increases or state subsidy decreases, they are more likely to vote against proposed school budgets.[5]

In Maine, total property values increased 47% from 2013 to 2023; the growth was fueled by an influx of buyers moving to Maine during the pandemic, with about two-thirds of it occurring between 2020 and 2023. If property values were to increase uniformly, it would not have an impact on the local tax bill; municipalities could raise a given amount of money using a lower mil rate, since it would be multiplied by a higher property value. However, the increase was not uniform.

Residential property was affected more than commercial or other property types. As a result, residential properties comprised over 78% of the total property tax commitment in 2023, up from about 74% in 2013 (Maine Revenue Services). This means that residential homeowners are paying a greater proportion of the local share of education costs, adding to their sense of an increased tax burden.

Furthermore, property values increased more in some communities than others. Because Maine's method of allocating state subsidy is based on a uniform mil rate, those communities with particularly rapid increases in total property value from year to year will be expected to raise proportionally more funds toward their education costs before receiving any state funding. This results in a year-to-year decrease in state subsidy.

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[4] *https://app.lincolninst.edu/sites/default/files/me_march_2024.pdf*
[5] Spiking home prices are leading to school budget challenges in some Maine communities. Maine Public, February 27, 2023. https://www.mainepublic.org/maine/2023-02-27/spiking-home-prices-are-leading-to-school-budget-challenges-in-some-maine-communities
As Maine towns balk at rising education costs, some call for sheltering the property tax. Portland Press Herald, September 8, 2024.https://www.pressherald.com/2024/09/08/as-maine-towns-balk-at-rising-education-costs-some-call-for-sheltering-the-property-tax/

In analysis of town-level property values from 2013 to 2023, we found that the 69 Maine towns with the largest increase (ranging from 59% to 140% compared to the overall statewide increase of 47%) were, on average, larger in population than those with average or below-average increases. They also had higher median incomes, suggesting they may have been better able to afford the shift when their state subsidy was reduced. However, when the growth pattern is repeated for multiple years in a row from 2020 to 2023, the effect can be substantial. This raises a particular concern about the impacts on low-income and some fixed-income residents whose incomes did not rise at the same rate as their property values.

Property Wealth vs. Income

To further study Maine's current system of a minimum property tax expectation for EPS costs, we estimated the median homeowner tax bill for EPS costs in each town. This is calculated from the median home value in each town multiplied by the town's expected mil rate. We then investigated the relationship between the median tax EPS tax bill and different town-level measures of wealth: Median household income, Median home value, and Percentage of households living in poverty. Each of these quantitative measures has limitations that should be considered when using them to estimate a town's average wealth. These issues are discussed in the full report, as they factor into the policy options for incorporating an income measure into the EPS model.

While the results varied somewhat depending on the wealth measure used, in general our analyses showed a strong correlation to the median homeowner property tax bill for EPS. Figure 1 below illustrates the relationship between median household income and the median EPS property tax bill (median home value multiplied by the town's expected mil rate). The overall correlation for these measures was 0.710 ($p<0.001$), driven largely by the strong relationship between median income and median home value.

Figure 1. Scatterplot of Estimated EPS Tax Bill vs. Median Income in Maine Towns
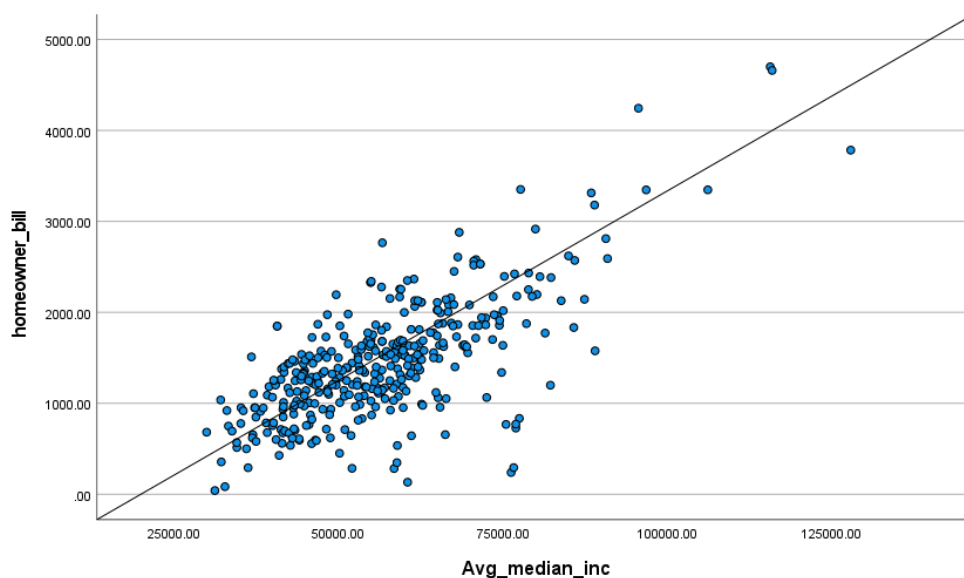
In general, towns with a higher median income have a higher median EPS tax bill. However, a correlation of 0.70 is not perfect (1.0). There are towns with higher income and below-average expected EPS tax bills (seen to the right and below the line), as well as those with lower median income but higher EPS tax bills (to the left and above the line). Our analysis indicates that approximately 5-10% of Maine towns fall into this latter category (higher EPS tax bill, low or average median income). While the residents of *any* town have a range of incomes and ability to pay, towns with lower median incomes will have more taxpayers who may be struggling to pay their EPS tax bill.

Another way to look at local ability to pay is to compare the median estimated EPS tax bill to the median income – i.e. the percentage of income paid in property tax for EPS. In this analysis, we found that the median homeowner in about 13% of Maine towns paid significantly above the average proportion of their income in EPS property taxes (3.3% or more of their income). The vast majority had average or below-average median incomes. These results bolster the finding that while the expected EPS tax bill for funding public schools is generally higher in higher-income communities (and vice versa), there are some towns at either end of the spectrum where the average tax burden does not match the average income.

Policy Issues

No matter what taxation alternatives are considered, all revenue for public education – state, local, and federal – comes from taxpayers. There are different kinds of local and state taxpayers (year-round residents, part-year residents, tourists, businesses) with different levels of wealth (high vs. low) and different kinds of wealth (property, income). They participate differently in the three major categories of taxes (sales & lodging taxes, income / corporate taxes, and property taxes). For example, non-resident vacation homeowners do not pay income taxes, and thus their largest contribution to education is through property tax, while seasonal tourists pay only sales and lodging taxes. Any modifications to tax policy that change the revenue streams will impact some kinds of taxpayers more than others. Unless education costs are reduced, lowering one kind of tax will mean that the savings need to be made up in another area.

To identify ways to change how revenue is generated for education, policymakers must wrestle with difficult questions. Who should be targeted for tax relief, and who should be contributing more than they already are to make up the difference? Is the goal for education taxes to be regressive, proportional, or progressive based on the wealth of the taxpayer? What are the distributional as well as the economic impacts of various tax policy options? Answers to these questions will determine the policy levers and parameters that can be adjusted to optimize our tax systems in alignment with Maine's policy goals. The questions are also relevant to other legislative bodies in addition to the Education and Cultural Affairs Committee.

To aid in these considerations, the report includes a robust discussion of the different mechanisms used to fund public education in other states.

Equity Challenge #1: Minimum Contributors

Maine's Constitution places the responsibility for public education on municipalities, not the state. There are towns with high property wealth relative to their education costs that can raise the full amount of their EPS cost estimate using a lower mil rate than the statewide mil rate expectation. They are designated as "minimum contributors" because their required mil rate to fund EPS is lower than what the state requires of other towns through the mil rate expectation.

All property owners in these towns, regardless of income, have a lower EPS property tax estimate than their peers with similar property value in other towns that are raising the full expected statewide mil rate. In FY26, if all towns raised the statewide expectation of 6.10 mils it would have raised an additional $160M for education. In addition to this missing revenue, these minimum contributor towns received a combined $26M in adjustments that guarantee a certain amount of state subsidy, regardless of ability to pay. The lower local mil rate and the minimum contributor adjustment both introduce some regressivity into the EPS model.[6]

Notably, the actual tax bill in minimum contributor towns is not necessarily lower. These towns are much more likely to pass budgets that are above the minimum EPS cost estimates, and any amounts above EPS are funded locally. According to the MDOE, in FY2023 the school units that received the least state aid toward their EPS costs – including the minimum contributors – passed budgets that were 69% above EPS. In contrast, those who had lower property wealth and received more state subsidy to meet their EPS costs after raising their expected mil rate were only 11% above EPS. In other words, minimum contributor towns on the whole are not taking advantage of their cumulative property wealth to have lower tax bills; instead, they are contributing above and beyond the minimum mil rate that EPS expects in order to provide additional programs and services for their students.

Equity Challenge #2: Towns with Mismatched Valuation and Income

As described above, the median town EPS property tax bill is correlated with town median income, but not perfectly (0.7 vs. 1.0). There are some towns with a high median property value, but the median resident has a low to average income. It is possible to modify the EPS system so that towns with lower median incomes have a lower mil rate expectation than those with higher median income residents. The full report outlines some possible examples, including the data limitations.

Importantly, policy options that alter state funding based on town-level income measures would affect all residents. There would be low-income residents in high-income towns that would be hurt by policies that expect more tax effort from them, and high-income residents in lower-income towns that would benefit.

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[6] In addition to higher levels of property wealth, the median household income in minimum contributor towns is about $6,000 more on average than for other towns.

Equity Challenge #3: Individual Level

Property taxes can be regressive; lower-income individuals often pay a larger share of their income toward property taxes when compared to higher-income homeowners. This is a particular concern for homeowners in towns where home values have increased significantly more than incomes. However, shifting away from property taxes to other sources of revenue for education will only help low-income residents if the new funding stream is more progressive.

Tax relief options that target individuals, in contrast to policies aimed at the town level, can help low-income property owners no matter where they live. Maine already has several such initiatives, as detailed in an appendix to the full report.

Policy Options

The EPS funding model can be modified in various ways to adjust its impacts on school districts and towns. Outside of EPS, alternate taxation options can be pursued at different levels to shift the burden to and from different target populations. Notably, some tax changes may require an amendment to Maine's constitution. Table 2.12 in the full report provides a more detailed description of various policy options.

Recommendations and Suggested Next Steps

Part II of this report also lays out several high-level questions to guide further policymaker action. Public education is funded through taxes – for both the state and local shares of the total costs – and therefore changes to funding mechanisms will need to be discussed through the lens of tax policy. Priorities should be identified before making policy changes to ensure that any changes are in alignment with a clear vision for taxpayer equity; both EPS and its underlying taxation assumptions should work toward the same goals.

The full report identifies several areas for continued analysis. Future MEPRI work will also address the directives included in LD 318 as passed near the end of the first regular legislative session in June 2025.

Taxation issues are broader in scope than EPS. Appropriate stakeholders and experts should be engaged alongside the Education and Cultural Affairs committee to establish big-picture policy priorities and goals to guide further study and recommendations.

The intent of state subsidy is to ensure baseline adequacy in education while also supporting taxpayer equity across the state. But this relies on having a good cost model at the foundation to estimate what is needed for a basic education. If the EPS cost estimate is too low, local taxpayers must raise the difference through local funds. When they do not, the goal of student equity suffers. The EPS cost model should be updated to provide resources for programs and services that have been added, or have become more costly, since the inception of EPS. These updates are detailed in other sections of this report.

Part III: Regional Cost Variation (Resolve 1A, 1C, 2B)

The EPS model includes a regional adjustment factor to account for differences in teacher labor costs across the state. This adjustment is important so that districts in high-salary areas can afford adequate staffing levels and those in lower-salary areas are not overtaxed. It is intended to assure adequate resources where they are needed rather than add resources to the overall cost model or act as a policy lever to influence salaries; the minimum teacher salary addresses that purpose. The current index is based on teacher salaries in Maine Labor Market Areas (LMAs).

Feedback from stakeholders has consistently described difficulties in increasing teacher salaries due to budget constraints and taxpayer pushback. Prior MEPRI studies of teacher turnover in Maine found a weak pattern of higher teacher turnover in districts with lower salaries; we also found that teachers who changed positions tended to receive higher salaries in the new district (MEPRI, 2018). While not a rigorous study of labor market supply and demand, these findings taken together suggest that teacher salaries in some parts of the state may not be high enough to attract and retain an adequate supply of qualified teaching staff. This raises concerns about our current practice of using teacher salary data as the way to measure cost differences between regions.

The current study included an updated analysis of regional variation in educator salaries and benefits, comparison to various cost-of-living estimates, and comparison of total resources allocated for teachers and educational technicians to actual staffing levels.

Key Findings

- The EPS regional adjustment is very out of date. The original regional index values are not achieving their intended purpose. The gap in teacher salaries across the state has continually spread: The difference between the highest and lowest paying regions has grown, and there are significant changes in the other areas, too.

- Although the statewide net cost or savings from updating the regional adjustment would be small, there would be substantial "winners and losers" even with a floor and ceiling.

- The cost-of-living metrics we analyzed appear to be a good fit for Maine, based on their relationship to other relevant data patterns; the comparative wage approach does not.

Policy Options

MEPRI evaluated several alternatives for calculating the EPS regional adjustment:

- Current practice (status quo): labor market salary basis, 2004-05 salary data;
- Update with recent teacher salary data, implementing a floor and/or ceiling;
- Switch to cost-of-living index basis; and
- Eliminate the adjustment.

Recommendations and Suggested Next Steps

- Bring the EPS regional adjustment up to date for the integrity of the cost model. Two general approaches appear to be an improvement:
  - Maintaining the current salary-based approach with updated salary data and a floor and ceiling to cap the spread.
  - Using a cost-of-living approach. Two national indices are described and analyzed; we recommend using a composite.

- Implement a minimum floor (suggested 0.93) to provide additional resources to low-salary regions, in either case.

- Mitigate the impact of large allocation changes either by phasing in over several years or by implementing alongside other offsetting changes in EPS to minimize overall reductions in allocations.

- Implement a process to ensure regular updates. The original plan for periodic changes has not worked as intended.

Part IV: Special Education (Resolve 2A)

Several recent studies described in the full report have raised concerns about Maine's system for funding special education through the EPS special education (SPED) funding model. Analysis illustrates that the current funding pattern is inequitable, and practitioner feedback suggests that the programs and services provided are not always adequate.

Key Findings

- Our decentralized system means there is a lack of readily-available information to examine the quality of programs and services being provided to students with special educational needs. This hinders oversight and accountability; our reliance on local control results in an inability to identify problematic situations where targeted assistance may be needed.

- The current special education cost model has devolved into an expenditure model. This goes against the intent of EPS. As a result, wealthier districts (with lower percentages of students in poverty) receive significantly more funding than high-poverty districts – as much as $2,500 more per special education pupil.

- Spending data, practitioner surveys, and anecdotal reports suggest that school districts are struggling to meet students' special education needs.

  - Districts without robust systems, especially early intervention and behavior supports, may need to fall back on expensive and often ineffective band-aid solutions (e.g. out-of-district programs or 1:1 adult supervision).

- ○ Staffing shortages and "health care deserts" mean that some students do not receive needed services, especially in more rural areas.
- ○ Yet, anecdotal reports from some district leaders suggest that some students are offered more services than they need. This can be due to parent pressure, or a lack of more appropriate interventions. And because of the expenditure-driven nature of the model, this spending subsequently results in higher funding allocations.

- Maine's special education identification rate of 20% is much higher than the national average of 15%. We are tied with New York and Pennsylvania; only Puerto Rico has a higher rate. Most of New England is at 17-18%.

- Student mobility can result in unpredictable budgets, particularly in smaller districts where even a small number of new students with very intense special education needs has a proportionally large impact. Practitioners advocated strongly for regional approaches to funding high-cost programs, including out-of-district placements, to even out the pressure on local costs. Shared administration can also smooth transitions when students relocate.

Policy Options

- Status quo.
- Maintain the framework of the current model and make adjustments to minimize its inequitable distribution, including by reducing or eliminating the Step 6 "maintenance of effort" adjustment.
- Develop a new funding model framework using multiple, tiered student weights based on intensity of student needs.
- Develop regional infrastructure for selected aspects of special education (e.g. related services administration, billing, programs for low-incidence needs) and change the flow of funding accordingly.
- Adjust hardship funding to be more responsive and flexible.
- A combination of selected elements above.

Recommendations and Suggested Next Steps

- Pursue regionalization of special education services and/or administration. This is the norm in most states and has the potential to improve access to services, provide more support to teachers and students, increase oversight, and reduce costs in the long-term.

- Implement a collar on the step 6 "maintenance of effort" expenditure adjustment. We recommend allocating 80% of the difference between the base model allocation and actual prior year spending to constrain growth and encourage efficiency.

- The current prevalence weight values (0.38 weight for students above 15%) do not match current identification practices and spending levels, which contributes to the gap between the model amounts and actual expenditures. Consider increasing the prevalence threshold to 17%, and/or increasing the prevalence weight to 0.40, while development of a tiered weighted system is underway.

- Discontinue the non-statutory spring adjustment for unbudgeted out-of-district tuition costs. Instead, adjust the hardship criteria to be more responsive to districts that cannot afford unexpected changes in special education costs.

- Continue developing a multiple-weight cost model to more adequately estimate districts' funding needs.

Part V: Statutory Adjustments

Key Findings

This section provides a descriptive list of the education costs that are paid directly by the state as part of its 55% share of the total estimated cost of education. This list is commonly referred to as the "purple sheet." Several of the items increase the total statewide cost of education, and thus also increase the statewide mil rate expectation. Others – the minimum subsidy adjustments – do not increase the total cost of education, but they still increase the statewide mil rate expectation by reducing the amount of state subsidy that is available to distribute to school districts.

Policy Options

For each of the statutorily-mandated adjustments, the policy options are: status quo (no change), amend the adjustment to modify its cost or intended recipients, or eliminate the adjustment.

Recommendations

The minimum contributor adjustments for special education should be reconsidered if the policy priority for allocating state subsidy is to assist towns that have a lower ability to pay for education. These subsidies (approximately $24M in FY26) would better achieve that goal if redirected to help build regional infrastructure for special education that could benefit students in all districts.

The other cost items included in the "purple sheet" were not included within the scope of other MEPRI analyses, either for the current study or prior EPS reviews, and therefore we do not have the basis for a recommendation.

Summary of High-Level Policy Considerations

The sum of the findings and recommendations across these distinct topics raises some fundamental questions about the basic underpinnings of Maine's approach to funding public education, especially when combined with the broad stakeholder input we gathered (see Appendix A). Answers to the following would further inform priorities for improving the Essential Programs and Services system:

1. What is an adequate education, now and moving forward?

2. Should responsibility for providing an adequate education stop at the town border? Is there social and/or economic value in approaching funding statewide or regionally?

   a. What are the implications of pooling resources, either statewide or within regions?

   b. What are the limits of local control?

   c. How can regionalization of services or administration support better outcomes and lowered costs, first perhaps in special education?

3. Which kinds of taxpayers should pay more? Which should pay less?

4. How much value do we place on sustaining small rural communities through small local schools? To what extent and at what cost?

In addition to these questions about values and priorities, any changes should be evaluated for feasibility, costs, and expected impacts. MEPRI and the Maine Department of Education will pursue this next level of analysis on several of the above recommendations in a study to be conducted pursuant to LD 318 in fall 2025.

INTRODUCTION

In April 2024 the Maine legislature passed a Resolve (LD 2286)[7] that tasked the Maine Educational Policy Research Institute (MEPRI), in collaboration with the Maine Department of Education, with studying various aspects of the EPS formula. MEPRI approached these tasks by doing data analysis and gathering input from several key stakeholder groups, as well as individual community members. We divided the work into five parts, which are outlined below.

Part I describes changes in the educational cost landscape since the development and implementation of EPS in the early 2000s. We provide a compilation of historical data on enrollments and staffing levels, total and per-pupil spending trends in selected budget categories, and a comparison of actual spending to EPS total allocations over time and by region.

Part II focuses on school administrative units' ability to pay for the costs of schooling. We offer an overview of how public schooling is funded and by whom, a description of Essential Programs and Services (EPS) and how local and state shares of education are determined, and the implications of this approach on property taxpayers. Finally, we offer a variety of state-level approaches to funding schools, including some specific options policymakers may want to consider.

Part III addresses regional cost variation as it relates to educator salaries. We explain the current approach within EPS, using actual average salaries within labor market areas and then describe and provide statewide analysis results for two alternatives: comparative wage and cost-of-living indices. This section ends with a recommendation for the use of a cost-of-living index in calculating the regional cost variation adjustment within EPS.

Part IV examines the costs of special education in Maine. We first provide an assessment of the adequacy of the current cost model approach, outlining current spending patterns and contextual challenges that drive up spending. Then we offer recommendations for changes to the Step 6 adjustment to moderate its impact. This section also includes recommended next steps for data collection and the consideration of a regional approach to supporting special education.

Part V describes subsidy adjustments that are required by statute, including those for minimum contributor districts (those who have an effective mill rate for EPS that is lower than the statewide mill rate).

The report concludes with a summary of the policy options and recommendations included in each section, including some high-level policy questions that must be addressed to provide direction for identifying the most desirable policy alternatives.

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[7] https://legislature.maine.gov/billtracker/#Paper/2286?legislature=131

PART I: GENERAL BACKGROUND AND TRENDS

Overview

In this initial report section we provide a foundation for putting the sections that follow into context. To frame the study, we first explored changes in the educational cost landscape since the development and implementation of EPS in the early 2000s. This included compilation and analysis of 1) historical data on enrollments and staffing levels; 2) total and per-pupil spending trends in selected budget categories; and 3) comparison of actual spending to the EPS cost model allocations (i.e. the Over/under EPS reports) over time and by region.

Enrollment and Staffing Trends in Maine

Statewide Trends

Data from the National Center for Education Statistics (NCES) Common Core of Data and the Maine Department of Education (MDOE) were used to track enrollment and staffing patterns, both at the state level and by county.

NCES were used to track teacher FTE and student enrollment from 2001 through 2024. The Teacher FTE includes all types of teachers. NCES data do not permit the disaggregation of FTE by teacher type. Figures 1, 2 and 3 and Table 1 show statewide trends and illustrate that:

- Student enrollment declined steadily between 2001 and 2024 while teacher FTE moved around, generally increasing between up through 2008, declining between 2010 and 2016, then increasing again after 2018 through 2024. The student-to-teacher ratios declined during the early 2000's and then remained more or less stable between 2007 and 2020. In 2021 the teacher ratios started to decline again as total teacher FTE began another uptick while the ongoing decline in student enrollment continued.

- From 2001 to 2024 teacher FTE remained virtually unchanged - 14,890 to 14,824 - while enrollment declined by over 19% (204,915 to 167,591). As a result, teacher ratios (student-to-teacher FTE) are also significantly lower (i.e., there are fewer students per teacher) in SY2024 (13.9) than they were in SY2001 (11.3).

Figure 1: Student-to-teacher FTE ratio, 2001 to 2024

Data source: NCES

Figure 2: Public school enrollment, statewide, 2001 to 2024

Data source: NCES

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Figure 3: Public school teacher FTE, 2001 to 2024
Data source: NCES
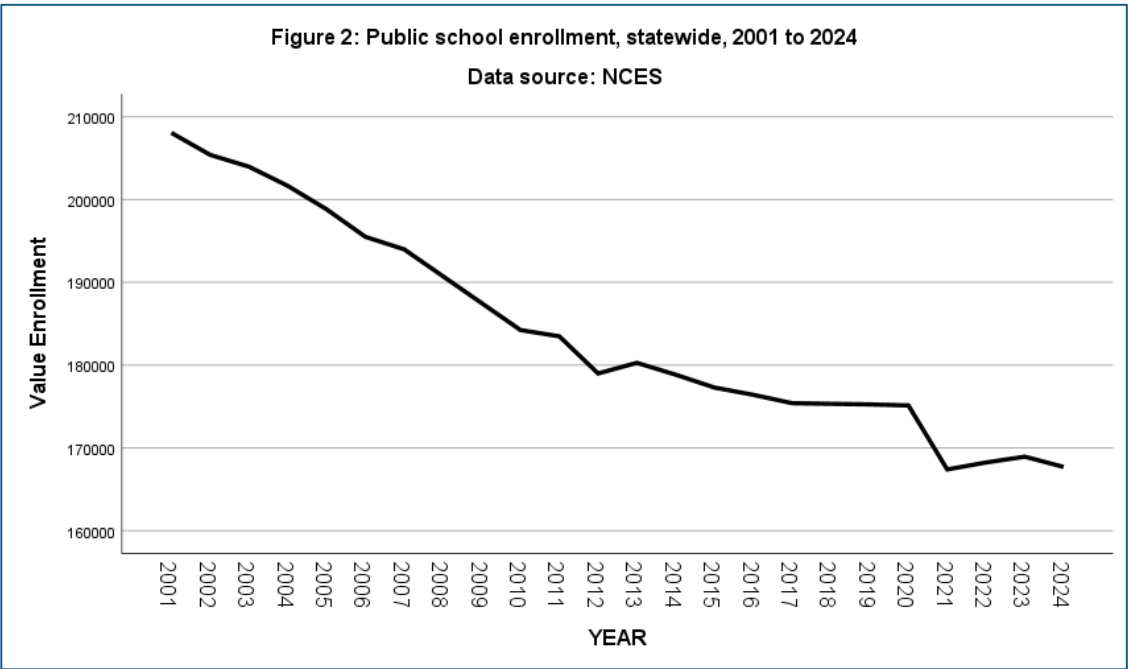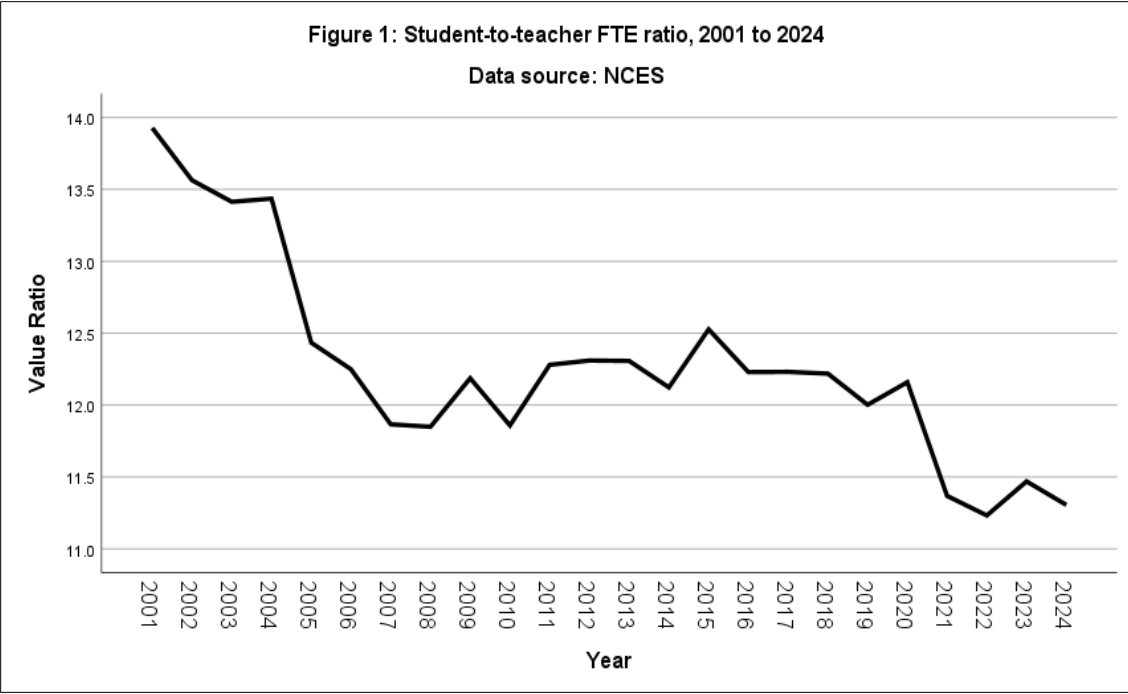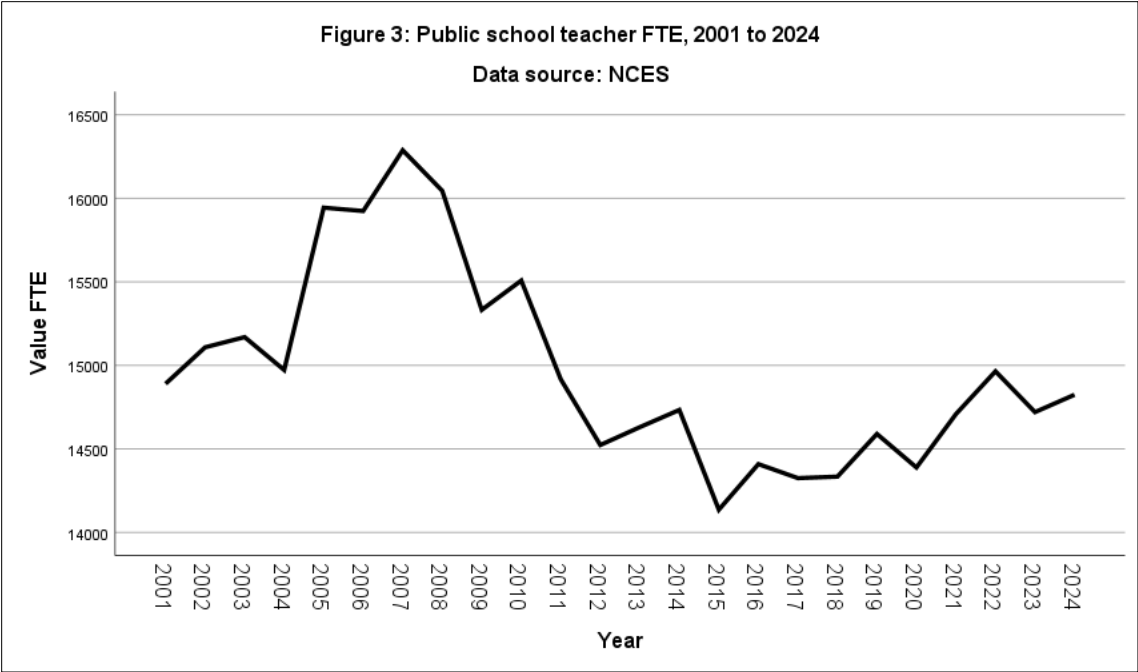
Table 1: Statewide Public-school Enrollment, Teacher FTE and Student-to-Teacher Ratios, 2001 to 2024

Year	Teacher FTE	Enrollment	Student-to-teacher ratio	School-level, Teacher ratio, mean (median)	School-level, Teacher ratio range
2001	14,890	207,376	13.9	13.8 (13.6)	5.0 to 38.7
2002	15,108	204,915	13.6	13.4 (13.4)	2.0 to 27.5
2003	15,169	203,471	13.4	13.1 (13.1)	3.0 to 27.7
2004	14,972	201,155	13.4	13.2 (13.3)	1.0 to 24.0
2005	15,944	198,248	12.4	12.0 (12.0)	4.1 to 23.1
2006	15,924	195,049	12.2	11.9 (11.9)	3.5 to 22.2
2007	16,288	193,269	11.9	11.4 (11.5)	4.3 to 28.1
2008	16,045	190,114	11.8	11.5 (11.5)	2.5 to 22.3
2009	15,332	186,845	12.2	11.8 (11.9)	2.0 to 24.0
2010	15,508	183,890	11.9	11.5 (11.6)	3.0 to 25.0
2011	14,917	183,172	12.3	11.9 (11.9)	2.5 to 20.5
2012	14,523	178,774	12.3	12.1 (12.1)	3.6 to 26.0
2013	14,630	180,048	12.3	11.7 (11.9)	3.2 to 27.8
2014	14,733	178,605	12.1	11.4 (11.5)	2.8 to 22.0
2015	14,136	177,076	12.5	11.9 (12.0)	1.9 to 31.2
2016	14,409	176,209	12.2	11.9 (11.9)	2.0 to 37.5
2017	14,325	175,205	12.2	11.9 (11.9)	3.0 to 31.6
2018	14,334	175,139	12.2	11.9 (11.9)	2.0 to 29.2
2019	14,589	175,099	12.0	11.7 (11.8)	2.0 to 26.0
2020	14,389	174,951	12.2	11.8 (11.9)	3.0 to 30.0
2021	14,708	167,207	11.4	10.9 (10.8)	2.2 to 26.0
2022	14,964	168,082	11.2	10.8 (10.8)	1.8 to 23.0
2023	14,720	168,825	11.5	10.9 (10.9)	2.0 to 34.0
2024	14,824	167,591	11.3	10.8 (11.0)	1.5 to 22.2
% change, 2001 to 2024	-0.44%	-19.2%	-18.7%	-19.0% (median)	--

Data were obtained from NCES. Schools include regular publics and charters (no CTEs, magnets, tribals, alternative or state schools). All types of teachers are included in these totals (classroom teachers, literacy specialists, special education, gifted and talented, multilingual learner).

County-level enrollment and teacher staffing trends are displayed in Table 2 below.

Table 2: Percent change in teacher FTE and enrollment, 2002 to 2024,
by county, using NCES data

County	% change 2002-2008		% change 2010-2016		% change 2018-2024		% change 2002-2024	
	FTE	enroll	FTE	enroll	FTE	enroll	FTE	enroll
Androscoggin	6.3	-2.1	-4.7	-0.2	2.1	-4.4	3.2	-6.8
Aroostook	4.9	-9.2	-13.5	-9.6	-0.7	-5.4	-17.4	-26.3
Cumberland	8.4	-3.4	-1.9	-0.8	8.0	-1.6	9.7	-8.9
Franklin	0.4	-12.6	7.2	6.8	1.1	-3.5	-6.0	-15.3
Hancock	5.1	-9.6	-12.0	-6.2	4.8	-5.2	-1.5	-21.6
Kennebec	1.4	-8.3	-7.9	-3.2	0.7	-6.3	-8.7	-19.3
Knox	11.7	-7.7	-14.1	-4.3	3.1	-6.3	1.1	-24.1
Lincoln	-8.1	-16.8	-14.2	-7.2	5.5	-2.3	-13.5	-26.1
Oxford	17.0	-4.1	-8.6	-5.5	-1.4	-3.4	-0.2	-17.6
Penobscot	6.4	-7.6	-8.7	-5.3	2.4	-5.1	-9.2	-21.3
Piscataquis	17.8	-5.4	-.9	0.0	0.2	-7.1	5.2	-24.3
Sagadahoc	6.7	-14.6	-11.5	-8.9	3.8	-4.1	-9.5	-30.0
Somerset	11.4	-4.8	-9.7	-8.2	2.2	-9.7	0.7	-23.6
Waldo	8.6	-9.2	-14.5	-10.9	-1.8	-12.7	-11.2	-30.9
Washington	-5.5	-14.9	-11.9	-5.5	0.7	-6.9	-19.2	-28.6
York	5.6	-9.1	-5.6	-6.2	4.6	-2.8	2.9	-20.1
State	6.2	-7.2	-7.1	-4.2	3.4	-4.3	-1.9	-18.2

*Data were obtained from NCES. Schools include regular publics and charters (no CTEs, magnets, tribals, alternative or state schools). All types of teachers are included in these totals (classroom teachers, literacy specialists, special education, gifted and talented, multilingual learner).

- Between SY2002 and SY2008 enrollment declined across all counties while teacher FTE increased except in Washington and Lincoln. Between SY2010 and SY2016 both enrollment and teacher FTE declined except for Franklin County, in which both enrollment and FTE increased, and Piscataquis, where neither enrollment nor FTE changed much at all. Between SY2018 and SY2024 enrollment continued to decline across all counties while teacher FTE increased in all counties except Aroostook, Oxford, Waldo, Kennebec, Piscataquis, and Washington counties, where teacher FTE declined or remained more or less constant.

- Counties with the largest declines in student enrollment between SY2002 and SY2024 include Waldo (31%), Washington (29%), Sagadahoc (30%), Piscataquis (24%), Aroostook (26%) and Lincoln (26%). Except for Piscataquis County, teacher FTE also declined in all six of these counties with Washington (19%), Aroostook (17%), Lincoln (13%) and Waldo (11%) seeing the largest declines. Note: Piscataquis increased its teacher FTE by 5% during this period despite an above average (24%) decline in student enrollment.

- Androscoggin and Cumberland counties saw the smallest relative declines in student enrollment between SY2002 and SY2024 (7% and 9%, respectively) and in both counties, teacher FTE increased during this period, with Cumberland's increasing by 10% and Androscoggin's by only 3%.

Table 3 below depicts student enrollments by county of school attendance for just the more recent interval of 2016 to 2025, using data from the Maine Department of Education data warehouse rather than NCES. The trends are similar to those found above.

Table 3: Attending Student Counts, SY2016 vs SY2025, by County

County	School year		% change
	2016	2025	
Androscoggin	15,849	15,592	-1.6
Aroostook	9,186	8,532	-7.1
Cumberland	39,262	38,241	-2.6
Franklin	4,544	4,164	-8.4
Hancock	6,302	5,946	-5.6
Kennebec	16,611	15,651	-5.8
Knox	4,482	4,232	-5.6
Lincoln	3,712	3,455	-6.9
Oxford	8,394	7,795	-7.1
Penobscot	20,344	18,618	-8.5
Piscataquis	2,205	1,908	-13.5
Sagadahoc	4,894	4,533	-7.4
Somerset	7,026	5,939	-15.5
Waldo	4,571	3,854	-15.7
Washington	4,119	3,762	-8.7
York	25,404	24,385	-4.0
State	176,815	166,607	-5.8

Trends by Teacher Type

To examine trends in teacher FTE and ratios by teacher type, we obtained data from the Maine DOE data warehouse. Data were available for the years SY2016 through SY2025. We compare the staffing trends of regular teachers, which include regular classroom teachers, literacy specialists and long-term substitutes, and special education teachers. See Tables 4-5.

Table 4: Teacher FTE and Ratios, Regular Teachers SY2016 vs SY2025, by County

County	School year FTE		% change FTE	School year ratio		% change ratio
	2016	2025		2016	2025	
Androscoggin	935	1,027	9.8	17.0	15.2	-10.4
Aroostook	635	609	-4.1	14.5	14.0	-3.2
Cumberland	2,540	2,698	6.2	15.5	14.2	-8.3
Franklin	284	313	10.2	16.0	13.3	-16.9
Hancock	438	525	19.9	14.4	11.3	-21.3
Kennebec	1,084	1,100	1.5	15.3	14.2	-7.1
Knox	281	365	29.9	16.0	11.6	-27.3
Lincoln	256	278	8.6	14.5	12.4	-14.3
Oxford	567	569	0.4	14.8	13.7	-7.5
Penobscot	1,288	1,343	4.3	15.8	13.9	-12.2
Piscataquis	133	142	6.8	16.6	13.4	-19.0
Sagadahoc	325	335	3.1	15.1	13.5	-10.1
Somerset	455	454	-0.2	15.4	13.1	-15.3
Waldo	305	306	0.3	15.0	12.6	-16.0
Washington	282	308	9.2	14.6	12.2	-16.4
York	1,655	1,709	3.3	15.3	14.3	-7.0
State	**11,501**	**12,110**	**5.3**	**15.4**	**13.8**	**-10.5**

Table 5: Special Education Teachers FTE and Ratios, SY2016 vs SY2025, by County

County	School year FTE		FTE % change	School year ratio		Ratio % change
	2016	2025		2016	2025	
Androscoggin	158	188	19.0	100.3	82.9	-17.3
Aroostook	97	92	-5.2	94.7	92.7	-2.1
Cumberland	376	495	31.6	104.4	77.3	-26.0
Franklin	48	53	10.4	94.7	78.6	-17.0
Hancock	72	92	27.8	87.5	64.6	-26.2
Kennebec	164	176	7.3	101.3	88.9	-12.2
Knox	30	68	126.7	149.4	62.2	-58.3
Lincoln	38	49	28.9	97.7	70.5	-27.8
Oxford	94	92	-2.1	89.3	84.7	-5.1
Penobscot	192	215	12.0	106.0	86.6	-18.3
Piscataquis	17	22	29.4	129.7	86.7	-33.1
Sagadahoc	57	67	17.5	85.9	67.7	-21.2
Somerset	68	78	14.7	103.3	76.1	-26.3
Waldo	57	50	-12.3	80.2	77.1	-3.9
Washington	38	58	52.6	108.4	64.9	-40.2
York	263	318	20.9	96.6	76.7	-20.6
State	1,771	2,114	19.4	99.8	78.8	-21.1

Notes: Data were obtained from the MDOE via the data warehouse https://www.maine.gov/doe/data-warehouse/reporting/staff . Data are available for the years SY2016 through SY2025. Regular teachers include classroom teachers, literacy specialists, and long-term subs. Schools include regular public schools and public charters. Ratios are county-wide total number of students per total teacher FTE.

- Between SY2016 and SY2025 the statewide percentage increase in special education teachers was 19% compared to 5% for regular teachers (classroom teachers, literacy specialists and long-term substitutes). Statewide, the ratios declined during this period for both types of teachers (i.e., there were fewer students per teacher in 2025 than in 2016), with the relative size of the decline twice as large for special education ratios (-21%) compared to regular teacher ratios (-10%).

- The ratios for regular teachers declined across all counties between SY2016 and SY2025. The recommended student-to-teacher ratio used in the EPS formula for regular teachers is 15:1 for PK/KG, 17:1 for grades 1 to 5 and grades 6 to 8, and 16:1 for grades 9 to 12. By SY2025 the regular teacher ratio was below even the recommended PK/K ratio of 15 students to one teacher FTE, for all counties except Androscoggin (15.2).

- In SY2025 the regular teacher ratio is higher than the statewide ratio of 13.8 students per FTE in Androscoggin (15.2), York (14.3), Cumberland (14.2), Kennebec (14.2) and Aroostook (14.0).

- Note: the decline in regular teacher ratios between SY2016 and SY2025 in Somerset and Waldo counties was driven almost exclusively by declining enrollments: Somerset and Waldo counties saw virtually no increase in regular teacher FTE during this period while enrollment declined by 16% and 15%, respectively.

- Special education teacher FTE increased and ratios declined between SY2016 and SY2025 in all counties except Waldo, Aroostook and Oxford. However, the decline in special education teacher FTE in these 3 counties was offset by declining enrollments and so the special education teacher ratios still declined, albeit by smaller amounts.

- In SY2025 the statewide ratio for special education teachers was 78.8 students per teacher FTE. Counties with special education teacher ratios above this included Aroostook (92.7), Kennebec (88.9), Piscataquis (86.7) and Penobscot (86.6), Oxford (84.7) and Androscoggin (82.9).

- Knox county stands out because in SY2016 its teacher ratios were among the highest (i.e., more students per teacher) for both regular and special education teachers but by SY2025 the ratios in Knox were among the smallest, driven primarily by increased staffing. Between 2016 and 2025 regular teacher FTE increased by 30% and the student-to-regular teacher ratio for Knox County dropped from 16.0 students per teacher to 11.6 students per teacher. During the same period, the number of full-time equivalent special education teachers increased by 127% going from 30 teachers to 68. In SY2016 Knox had the highest special education ratio with 149.4 students per teacher FTE and in SY2025 it had the lowest with 62.2 students per teacher FTE.

- The special education teaching staff in Washington county also increased significantly between SY2016 and SY2025, going from 38 full-time equivalent special education teachers in 2016 to 58 in 2025, a 53% increase. As a result, the special education teacher ratio in Washington county declined from 108.4 students per teacher to 64.9 students per teacher, the third lowest ratio by county.

County and State Trends - Educational Technicians

Using the data from MDOE we also examined educational technician FTE and ratios (Table 6). Ed techs include regular educational technicians and library/media technicians at levels I, II and III. Note: These positions include all tech positions, not just EPS tech positions (EPS positions are generally employed in regular instruction while the rest serve as support for special education). The MDOE data obtained via the data warehouse does not provide the EPS status information needed to disaggregate technician positions by type. Using data obtained by

request, we are able to provide analysis of technician positions disaggregated by type for SY2024 (see below, Table 7).

Table 6: Educational Technicians FTE and Ratios, SY2016 vs SY2025, by County

County	School year FTE		FTE % change	School year ratio		Ratio % change
	2016	2025		2016	2025	
Androscoggin	479	473	-1.3	33.1	33.0	-0.4
Aroostook	283	336	18.7	32.5	25.4	-21.8
Cumberland	961	1253	30.4	40.9	30.5	-25.3
Franklin	134	191	42.5	33.9	21.8	-35.7
Hancock	219	329	50.2	28.8	18.1	-37.2
Kennebec	567	645	13.8	29.3	24.3	-17.2
Knox	87	215	147.1	51.5	19.7	-61.8
Lincoln	128	164	28.1	29.0	21.1	-27.4
Oxford	255	356	39.6	32.9	21.9	-33.5
Penobscot	610	813	33.3	33.4	22.9	-31.3
Piscataquis	86	116	34.9	25.6	16.4	-35.8
Sagadahoc	72	75	4.2	68.0	60.4	-11.1
Somerset	235	288	22.6	29.9	20.6	-31.0
Waldo	131	171	30.5	34.9	22.5	-35.4
Washington	140	207	47.9	29.4	18.2	-38.2
York	821	941	14.6	30.9	25.9	-16.3
State	5211	6577	26.2	33.9	25.3	-25.3

*Notes: data from MDOE via warehouse https://www.maine.gov/doe/data-warehouse/reporting/staff . Ed techs include regular educational technicians and library/media technicians at levels I, II and III. These positions include all tech positions, not just EPS tech positions. Schools include regular public schools and public charters. Ratios are county-wide number of students per FTE.

- Between SY2016 and SY2025 the size of the ed tech staff increased by 26% statewide, with the number of full-time equivalent techs increasing from 5,211 to 6,577.

- Ed tech FTE increased in all counties except Androscoggin. The counties with the largest percentage increases in ed tech FTE during this period include Knox (147%), Hancock (50%), Washington (48%), Franklin (43%) and Oxford (40%).

- Note: educational technicians positions include both those employed in regular education as well as those employed in special education. Based on analysis of

MDOE staff data obtained directly from MDOE, around 26-30% of ed tech positions are engaged in regular education while the rest are, presumably, engaged in special engaged. The increase in the use of ed techs between SY2016 and SY2025 likely reflects, at least in part, the sizeable increase in special education services, as shown above with special education teachers.

- As a result of the increase in ed tech staffing, ed tech ratios declined across all counties, except for Androscoggin, where it remained virtually unchanged (i.e., its small decline in ed tech FTE was offset by declining enrollment). Statewide, the ed tech ratio declined by 25%, going from 33.9 students per ed tech FTE to 25.3 students per FTE.

- Knox county stands out again with its substantial increase in ed tech staffing levels and the subsequent decline in ed tech ratio. Between SY2016 and SY2025, the number of full-time equivalent ed tech positions increased 147% from 87 to 215. As a result, Knox went from having one of the highest ed tech ratios in SY2016 (51.5 students per ed tech FTE compared to the statewide average of 33.9 students per FTE) to one of the lowest (19.7 students per FTE compared to the statewide average of 25.3).

- Also notable is Sagadahoc County, where there has been very little increase in ed tech staffing between SY2016 and SY2025 and its ed tech ratio remains the highest at 60.4 students per FTE.

Educational Technicians – Regular Education and Special Education

The data used in the trend analysis above did not permit disaggregating ed techs according to their EPS status; ed techs in EPS positions generally work in regular education while non-EPS positions are generally in special education. Using SY2024 staff data obtained by request from the Maine DOE we were able to separate out the two types of ed techs. Note: there are regional special education programs and private special education programs across the state. Schools may use these services as well. The ed techs employed in those programs are not reflected here. The ed techs included in the analysis below are employed by and working in public schools and public charters. County-wide ratios are calculated as the total number of students per the total ed tech FTE within each county. Schools with zero ed tech FTE are included. We also provide the school-level ratios (median and range).

Table 7: Ed tech FTE and ratios, EPS vs not-EPS positions, by county, SY2024

County	# of schools	# (%) of Schools w/o EPS ed techs	# (%) of Schools w/o non-EPS ed techs	EPS Ed Tech Positions			Non-EPS Ed Tech Positions		
				County level		School level	County level		School level
				FTE	Ratio	Ratio, median (range)	FTE	Ratio	Ratio, median (range)
Androscoggin	39	3 (8%)	1 (3%)	164.4	98.9	70.0 (32-566)	362.5	44.8	40.6 (16-123)
Aroostook	35	7 (20%)	0	93.5	91.6	64.7 (29-410)	237.7	36.0	41.5 (17-267)
Cumberland	86	5 (6%)	5 (6%)	373.8	99.7	101.6 (15-819)	926.9	40.2	41.8 (14-634)
Franklin	13	0	0	28.4	110.6	105.6 (23-703)	105.2	29.9	33.7 (11-170)
Hancock	34	12 (35%)	4 (12%)	43.9	134.6	76.2 (4-1260)	274.0	21.6	19.6 (9-82)
Kennebec	45	0	0	194.6	71.9	67.5 (27-550)	375.3	37.3	40.3 (15-237)
Knox	22	1 (5%)	1 (5%)	73.1	76.9	55.3 (28-373)	204.3	27.5	27.6 (12-216)
Lincoln	17	1 (6%)	0	52.5	57.2	56.9 (10-171)	107.0	28.1	31.9 (14-90)
Oxford	30	2 (7%)	0	80.2	101.4	132.3 (33-414)	272.4	29.8	33.6 (18-73)
Penobscot	72	6 (8%)	2 (3%)	216.9	94.0	101.7 (12-1980)	702.9	29.0	28.2 (10-124)
Piscataquis	5	0	0	13.4	98.3	148.5 (41-226)	62.3	21.1	20.5 (13-55)
Sagadahoc	18	2 (11%)	0	33.2	141.0	156.1 (31-480)	110.8	42.2	43.4 (4-184)
Somerset	31	5 (16%)	1 (3%)	60.3	112.7	88.8 (19-373)	235.3	28.9	30.4 (9-94)
Waldo	21	8 (38%)	3 (14%)	19.9	158.3	106.5 (12-478)	107.0	29.5	37.0 (13-101)
Washington	29	5 (17%)	2 (7%)	65.0	52.3	40.1 (11-208)	147.5	23.0	21.4 (9-58)
York	63	4 (6%)	0	246.6	105.3	72.3 (25-1258)	708.7	36.6	36.8 (13-208)
State	560	61 (11%)	19 (3%)	1759.7	95.2	81.2 (4-1980)	4939.8	33.9	34.8 (4-634)

Notes: Data obtained from the Maine DOE. Ed techs include ed techs and library/media ed techs at levels I, II and III. EPS positions work in regular education while non-EPS positions are generally special education. County and statewide ratios include schools with zero FTE. Schools include all regular publics and public charters. Schools designated small and isolated are included.

- Among regular public schools and public charters, 26% of the ed tech positions statewide in SY2024 were EPS positions working in regular education; the remaining 74% were not EPS positions and are presumed to be working in special education services.

- Not all schools have ed tech staff. Schools are more likely to be without regular education EPS ed techs than they are to be without non-EPS special education ed techs. Across all public schools and charters in Maine 11% did not have EPS-funded ed tech positions while only 3% did not have special education ed techs. It was more common for a school not to have any regular education ed techs in Waldo (38%), Hancock (35%) and Aroostook (20%) counties. Schools in Waldo and Hancock were also more likely to have no special education ed techs.

- The student-to-staff ratios were higher for regular education ed techs than for special education ed techs: the statewide EPS ed tech ratio was 95.2 students per FTE compared to 33.9 students per special education ed tech FTE. At the school level, the median EPS ed tech ratio was 81.2 students per FTE and the median special education ed tech ratio was 34.8 students per FTE. Note: state and county-wide ratios (total number of students per total ed tech FTE) include schools with zero FTE and will thus be larger than school-level ratios.

- School-level ratios show the wide variation in students per ed tech FTE across schools. Note: the variability as measured by the range of minimum ratio to maximum ratio is greater for regular education ed techs.

- The EPS recommended ratio for regular education technicians is 114 students per FTE for grades PK through 5 (103 if the SAU has fewer than 1,200 students), 312 students per FTE for grades 6 through 8 (281 for smaller districts), and 316 for grades 9 to 12 (284 for smaller districts). County-level ratios are below the ratio recommended even for elementary schools (114 per FTE) in all counties except Hancock (134.6), Sagadahoc (141.0), and Waldo (158.3).

- Waldo, Sagadahoc and Hancock counties had the highest county-wide EPS ed tech ratios at 158.3, 141.0, and 134.6, respectively. Waldo and Hancock also had the highest percentages of schools with no EPS ed tech staff: 8 (38%) of Waldo's 21 schools report zero EPS ed tech FTE and 12 (35%) of Hancock's 34 schools report zero EPS ed tech. Statewide 11% of schools reported no EPS ed tech FTE.

- Washington and Lincoln counties had the lowest county-wide EPS ed tech ratios at 52.3 students per FTE and 57.2 students per FTE, respectively. Washington and Lincoln counties – along with Knox county - had the lowest average school-level EPS ed tech ratios.

County and state trends – support staff

FTE totals for SY2016 and SY2025 for Title I teachers as well as student health and support staff are reported in Tables 8-11. We don't provide percentage change in FTE by county because with these types of staff the FTE are so low that even small absolute changes from the base year produce large percentage changes, beyond what is meaningful, especially in comparison to regular EPS teaching staff. The FTE totals are provided to show general trends and to put changes in ratios in context.

Table 8: Title I Teacher Ratios, SY2016 and SY2025

County	Economic disadv. rate	% change enrollment	Number of Title I teachers		Title I teacher ratio (students per Title I FTE)		
	SY2024	SY16 to SY25	2016	2025	2016	2025	% change
Androscoggin	47%	-1.6	8	14	1,981	1,114	-43.8
Aroostook	50%	-7.1	3	9	3,062	948	-69.0
Cumberland	27%	-2.6	14	16	2,804	2,390	-14.8
Franklin	53%	-8.4	8	15	568	278	-51.1
Hancock	32%	-5.6	12	11	525	541	3.0
Kennebec	38%	-5.8	6	12	2,769	1,304	-52.9
Knox	34%	-5.6	1	6	4,482	705	-84.3
Lincoln	35%	-6.9	2	4	1,856	864	-53.4
Oxford	53%	-7.1	0	13		600	
Penobscot	41%	-8.5	19	26	1,071	716	-33.1
Piscataquis	53%	-13.5	2	3	1,103	636	-42.3
Sagadahoc	28%	-7.4	3	3	1,631	1,511	-7.4
Somerset	59%	-15.5	2	8	3,513	742	-78.9
Waldo	50%	-15.7	13	13	352	296	-15.9
Washington	50%	-8.7	5	6	824	627	-23.9
York	30%	-4.0	12	17	2,117	1,434	-32.3
State	38%	-5.8	111	179	1,593	931	-41.6

Table 9. School Nurse Ratios SY2016 and SY2025

County	Economic disadv. rate	% Change students	Number of school nurses		School nurse ratio (students per nurse FTE)		
	SY2024	SY16 to SY25	2016	2025	2016	2025	% Change
Androscoggin	47%	-1.6	24	34	660	459	-30.5
Aroostook	50%	-7.1	12	26	766	328	-57.2
Cumberland	27%	-2.6	50	78	785	490	-37.6
Franklin	53%	-8.4	7	12	649	347	-46.5
Hancock	32%	-5.6	7	19	900	313	-65.2
Kennebec	38%	-5.8	28	46	593	340	-42.7
Knox	34%	-5.6	7	14	640	302	-52.8
Lincoln	35%	-6.9	2	9	1,856	384	-79.3
Oxford	53%	-7.1	13	18	646	433	-33.0
Penobscot	41%	-8.5	24	38	848	490	-42.2
Piscataquis	53%	-13.5	2	2	1,103	954	-13.5
Sagadahoc	28%	-7.4	7	11	699	412	-41.1
Somerset	59%	-15.5	8	10	878	594	-32.3
Waldo	50%	-15.7	8	10	571	385	-32.6
Washington	50%	-8.7	3	9	1,373	418	-69.6
York	30%	-4.0	51	59	498	413	-17.1
State	38%	-5.8	258	398	685	419	-38.8

Table 10 School Social Workers Ratios, SY 2016 and SY2025

County	Economic disadv. rate	% Change students	Number of school social workers		School social worker ratios (students per FTE)		
	SY2024	SY16 to SY25	2016	2025	2016	2025	% Change
Androscoggin	47%	-1.6	14	43	1,132	363	-67.9
Aroostook	50%	-7.1	16	24	574	356	-38.0
Cumberland	27%	-2.6	63	151	623	253	-59.4
Franklin	53%	-8.4	6	18	757	231	-69.5
Hancock	32%	-5.6	3	12	2,101	496	-76.4
Kennebec	38%	-5.8	12	39	1,384	401	-71.0
Knox	34%	-5.6	4	15	1,121	282	-74.8
Lincoln	35%	-6.9	7	13	530	266	-49.8
Oxford	53%	-7.1	11	27	763	289	-62.1
Penobscot	41%	-8.5	18	34	1,130	548	-51.5
Piscataquis	53%	-13.5	1	5	2,205	382	-82.7
Sagadahoc	28%	-7.4	14	21	350	216	-38.3
Somerset	59%	-15.5	8	12	878	495	-43.6
Waldo	50%	-15.7	5	11	914	350	-61.7
Washington	50%	-8.7	0	5		752	
York	30%	-4.0	47	83	541	294	-45.7
State	38%	-5.8	232	519	762	321	-57.9

Table 11 School Psychologist Ratios, SY 2016 and SY 2025

County	Economic disadv. rate	% change students	Number of school psychologists		School psychologist ratio		
	SY2024	SY16 to SY25	2016	2025	2016	2025	% Change
Androscoggin	47%	-1.6	3	4	5283	3898	-26.2
Aroostook	50%	-7.1	0	2		4266	
Cumberland	27%	-2.6	21	25	1870	1530	-18.2
Franklin	53%	-8.4	2	1	2272	4164	83.3
Hancock	32%	-5.6	2	3	3151	1982	-37.1
Kennebec	38%	-5.8	1	8	16611	1956	-88.2
Knox	34%	-5.6	2	4	2241	1058	-52.8
Lincoln	35%	-6.9	1	2	3712	1728	-53.4
Oxford	53%	-7.1	5	4	1679	1949	16.1
Penobscot	41%	-8.5	6	4	3391	4655	37.3
Piscataquis	53%	-13.5	0	0			
Sagadahoc	28%	-7.4	1	0	4894		-100.0
Somerset	59%	-15.5	2	1	3513	5939	69.1
Waldo	50%	-15.7	1	2	4571	1927	-57.8
Washington	50%	-8.7	0	0			
York	30%	-4.0	15	19	1694	1283	-24.3
State	38%	-5.8	64	80	2763	2083	-24.6

*Notes: County level economic disadvantage rates were obtained from here:
https://mainechildrensalliance.org/site/assets/files/2567/2024_kidscount_databook.pdf#page=44 Staff and enrollment data are from MDOE via warehouse https://www.maine.gov/doe/data-warehouse/reporting/staff Guidance counselor job category was phased out after SY2017. Schools include regular public schools and public charters. Ratios are county-wide number of students per FTE. Blank cells indicate there was zero staff FTE.*

- Between SY2016 and SY2025 the number of full-time equivalent Title I teachers in Maine increased 61% from 111 to 179, and the Title I teacher ratio declined by 41% - from 1,593 students per FTE to 931 students per FTE.

- The largest absolute increase in Title I FTE occurred in Oxford County, which had zero recorded Title I teacher FTE in SY2016 and 13 FTE in SY2025. By SY2025 Oxford's Title I ratio of 600 students per Title I FTE was below the state average of 931 students per FTE.

- The Title I ratios in Knox, Somerset and Aroostook counties also declined significantly, driven by both declining enrollments and increases in Title I staffing levels.

- The number of Title I teachers doubled in Kennebec County between SY2016 and SY2025, going from 6 Title I teachers to 12 but at 1,304 students per Title I FTE it remained above the state average of 931 students per FTE and well above the ratio in other rural counties.

- Note that by SY2025 the Title I teacher ratios are generally smaller in Maine's more rural counties with fewer students per Title I FTE compared to those in more populated southern counties like Cumberland, York and Sagadahoc. This is because rural counties have higher rates of student economic disadvantage.

- Title I teachers are funded by the federal government and target schools with higher percentages of economically disadvantaged students. We would expect the Title I ratios to be smaller in counties with higher rates of child poverty (i.e., they would receive more Title I funding and as long as they are able to hire more teachers, there would be fewer students per Title I FTE) and for the most part, they are.[8] Counties with the highest economic disadvantaged rates are Somerset (58.7%), Franklin (53.5%), Piscataquis (53.5%) and Oxford (52.8%) all had SY2025 Title I ratios below the statewide average of 931 students per FTE. Washington (50.5%) and Waldo (49.6%) also have child poverty rates above the state rate (38%) and they too had Title I ratios smaller than the statewide average - 297 and 627 students per Title I FTE, respectively. Androscoggin and Aroostook, on the other hand, with rates of economic disadvantage above the state's (38%), at 46.9% and 49.6%, respectively, have Title I teacher ratios above that for the state as a whole. Androscoggin's Title I ratio is 1,114 students per FTE and Aroostook's is just above the state's at 948 students per FTE. This may reflect budget constraints, greater hiring challenges or higher staff turnover. Cumberland (26.7%), York (29.6%) and Sagadahoc (27.9%) counties have the lowest percentages of economically disadvantaged students, and their SY2025 student-to-Title I ratios are the highest with Cumberland's ratio at 2,390 students per Title I FTE, Sagadahoc's 1,511 students per FTE and York's 1,434 students per FTE.

- The number of social workers employed by Maine public schools increased 124% between SY2016 and SY2025 from 232 FTE to 519 FTE. Statewide, the social work ratio dropped 58% during this period, going from 762 students per social worker FTE to 321 students per FTE in SY2025.

- Social work staffing increased in every county between SY2016 and SY2025, with the largest percentage declines in social work ratios occurring in Piscataquis and Hancock. Both counties had social work ratios in SY2016 that were well above the statewide

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[8] Note: At the school level, the correlation statistic shows a negative correlation (rho = -0.593, p=0.015) between the percentage of students economically disadvantaged and the size of the Title I teacher ratio (a higher % of poor children increases the number of Title I teachers and lowers the number students per Title I FTE). There's no significant correlation between the economic disadvantage rate and the social worker, school nurse or school psychologist ratios.

average of 762 students per social worker but by SY2025 the ratios had dropped by 83% in Piscataquis - from 2,205 students per social work FTE to 382 students per FTE - and by 76% in Hancock – from 2,101 students per FTE to 496 students per FTE, bringing their ratios closer to the statewide average of 321 students per social worker.

- Increases in social work staff combined with declines in student enrollment also led to sizeable declines in social work ratios in Androscoggin, Knox and Kennebec counties.

- Cumberland, Lincoln, Sagadahoc and York counties consistently have the lowest social work ratios, below the state average in both SY2016 and SY2025.

- Between SY2016 and SY2025 there was a 54% increase in school nurse positions statewide (258 FTE to 398 FTE), with all counties increasing nursing staff except Piscataquis where it remained steady at 2 full-time equivalent school nurses. The statewide ratio in SY2016 was 685 students per school nurse, well below the EPS recommended ratio of 800 students per nurse (720 students per nurse FTE for SAUs with fewer than 1,200 students); by SY2025 the ratio dropped to even further to 419 students per school nurse.

- In SY2016 the highest student-to-nurse ratios were in Lincoln, Piscataquis, and Washington counties at 1,856 students per FTE, 1,373 students per FTE, and 1,103 students per FTE, respectively. Increases in nursing staff in both Lincoln and Washington brought their SY2025 ratios down to 384 and 418 students per FTE, respectively, just at or below the statewide average of 419 students per FTE. The student-to-nurse ratio did decline between SY2016 and SY2025 in Piscataquis County, but the decline was driven by declining enrollments alone and remains the highest across all counties at 954 students per nurse, and well above the highest EPS recommended ratio of 800.

- Note: in some schools, the school nurse position may be supplemented with health assistant staff not reflected in these data.

- While there was a 25% increase statewide in the number of school psychologists between SY2016 and SY2026, FTE declined in 5 counties (Franklin, Oxford, Penobscot, Sagadahoc, and Somerset) and remained unchanged at zero for two counties (Piscataquis and Washington). This may reflect budget constraints, or the difficulty more rural communities have in hiring specialists like psychologists.

Student-to-staff rations by grade level

We were able to examine staffing ratios by school grade level using SY2024 data from the Maine DOE. We examined school-level teacher ratios both with small and isolated schools included (Table 12) and excluded (Table 13). As expected, the ratios as a bit higher when small and isolated schools are excluded.

Table 12: School-level teacher ratios, mean (median and range) by school grade type, SY2024, small and isolated schools included

Type of school (# of schools)	Student-classroom teacher FTE	Student-special education teacher FTE
Early elementary (n=51)	14.1 (14.3, 9.7-19.0)	88.6 (93.3, 29.7-325.0)
Elementary (n=177)	13.5 (13.3, 4.0-25.0)	82.3 (83.0, 18.0-790.0)
Intermediate (n=37)	14.8 (14.8, 1.7-18.0)	71.4 (70.3, 20.0-175.0)
Elementary/middle (n=82)	12.2 (11.5, 3.6-22.1)	72.5 (67.3, 26.0-520.0)
Middle (n=79)	14.0 (14.0, 8.7-27.8)	68.1 (70.2, 27.7-226.0)
Middle/High school (n=21)	14.7 (13.5, 10.5-26.8)	72.1 (72.4, 24.4-209.0)
High school (n=92)	15.0 (14.5, 7.8-20.0)	89.0 (89.2, 27.0-356.7)

Table 13: School-level teacher ratios, mean (median and range) by school grade type, SY2024, small and isolated schools excluded

	Student-classroom teacher FTE	Student-special education teacher FTE
Early elementary (n=50)	14.2 (14.3, 9.8-19.0)	88.8 (94.0, 29.7-325.0)
Elementary (n=147)	13.7 (13.5, 6.2-18.3)	81.9 (82.8, 18.0-790.0)
Intermediate (n=36)	14.8 (14.7, 11.3-18.0)	71.5 (70.9, 35.4-175.0)
Elementary/middle (n=65)	12.4 (12.1, 5.9-22.1)	72.7 (71.7, 26.0-520.0)
Middle (n=78)	13.9 (13.9, 8.7-27.8)	68.1 (70.0, 27.7-226.0)
Middle/High school (n=14)	15.4 (14.1, 11.0-26.8)	74.9 (70.2, 46.3-209.0)
High school (n=85)	15.1 (14.7, 9.1-20.0)	89.8 (90.1, 41.7-291.0)

Notes: Staff and school grade data were obtained from the Maine DOE. Regular teachers include regular classroom teachers, literacy specialists and long-term substitutes. Schools include all regular publics and public charters.

- The recommended EPS ratios for regular education teachers are 15:1 for PK-K, 17:1 for grades 1 to 8 and 16:1 for grades 9-12. The mean and median school ratios for regular teachers are all below the EPS recommended ratios across all grade levels.

- As the ranges show, there are some schools with student-to-teacher FTE ratios above the EPS recommended ratios: among the 228 early elementary and elementary grade schools there are only 6 schools (3%) with regular teacher ratios above the EPS recommended 17 students per FTE; among the 198 intermediate, elementary/middle and middle schools 12 schools (6%) have teacher ratio larger than the EPS ratio of 17 students per FTE; and among the 92 high schools 26 schools (28%) have teacher ratios larger than the EPS recommended ratio of 16 students per FTE.

- For regular teachers, the ratios tend to be a bit smaller (i.e., fewer students per teacher FTE) in early grade schools while for special education teachers, the ratios tend to be smaller in middle grade schools.

- Among the 177 typically configured elementary schools, 167 (94%) have special education FTE. The average special education teacher ratio is 96.8 students per FTE (and the median is 83.0 students per FTE). 33% of the 167 elementary schools with special education teaching staff have ratios above the average; 5% of the schools have significantly higher special education ratios (more than 1 std deviation above the mean: 168 students per FTE or more).

- All the 79 typically configured middle schools have special education teaching staff. The average special education teacher ratio is 73.1 students per FTE (median: 70.1 students per FTE). 42% of the middle schools have special education teacher ratios above the average; 6% of the schools have significantly larger ratios (more than one standard deviation above the mean: 98.4 students per FTE or more).

- All 92 of the typically configured high schools have special education teaching staff. The average special education teacher ratio is 99.6 students per FTE (median: 89.2 students per FTE). 36% of the high schools have special education teacher ratios above the average; 9% of the schools have significantly larger ratios (more than one standard deviation above the mean: 148.8 students per FTE or more).

Teacher ratios by grade level and county are displayed in Table 14. Because of the small numbers of atypically grade configured schools in rural areas we include only the typically configured schools.

Table 14: Student-to-Teacher Ratios, by County and School Type, SY2024

County	Elementary schools		Middle schools		High schools	
	Reg teacher	Spec ed teacher	Reg teacher	Special ed teacher	Reg teacher	Special ed teacher
Androscoggin	14.6	81.3	16.4	68.3	16.3	97.1
Aroostook	14.1	94.5	17.9	64.4	15.9	115.9
Cumberland	14.1	80.7	13.3	70.0	14.5	89.1
Franklin	17.2	97.0	16.0	65.5	17.7	77.3
Hancock	11.3	51.3	14.4	62.6	12.7	76.5
Kennebec	13.4	99.7	14.3	79.9	15.1	95.2
Knox	11.3	75.8	11.8	55.3	15.2	72.6
Lincoln	9.7	50.3			10.0	85.5
Oxford	13.2	93.9	14.2	71.1	15.2	101.9
Penobscot	13.3	94.9	14.2	76.7	15.5	101.6
Piscataquis	13.7	96.8	16.5	80.3		
Sagadahoc	12.8	82.8	13.5	52.1	15.3	81.7
Somerset	13.0	73.7	14.6	59.5	15.2	91.6
Waldo	12.8	71.3	14.5	49.2	13.2	88.6
Washington	12.6	57.5			11.3	51.3
York	13.8	77.8	13.5	67.7	15.1	80.1
State	13.5	82.3	14.0	68.1	15.0	89.0

Notes: Staff and school grade data were obtained from the Maine DOE. Regular teachers include regular classroom teachers, literacy specialists and long-term substitutes. Schools include all regular publics and public charters. Ratios are county-wide total number of students per total FTE and include schools with zero FTE (special education). Schools designated small and isolated are included (when these schools are excluded, the ratios are somewhat larger). Schools with atypical grade configurations are not included.

- At the elementary level, only Franklin county's regular classroom teacher ratio – 17.2 students per teacher FTE - is greater than the EPS recommended ratio (15 students per FTE). At the middle school level, only Aroostook county's regular teacher ratio (17.9) is greater than the EPS recommended 17 students per teacher FTE. At the high school level, only Androscoggin's regular teacher ratio (16.3) is above the EPS recommended 16 students per FTE.

- At the elementary level, Franklin (17.2) has the highest regular classroom teacher ratio, followed by Androscoggin (14.6) and Aroostook (14.1). The elementary regular classroom teacher ratio is also higher than the statewide average (13.5) in Cumberland (14.1). Androscoggin (16.4), Aroostook (17.9) and Franklin (16.0) also have ratios above the statewide average (14.0) at the middle school level. The middle school regular teacher ratio is also significantly higher than the statewide average in Piscataquis (16.5). These same four counties also have the highest regular classroom teacher ratios at the high school level: Franklin (17.7), Androscoggin (16.3), Aroostook (15.9) and Piscataquis (15.5).

- In SY2024 the statewide average special education teacher ratio at the elementary school level was 82.3 students per FTE. The special education teacher ratios are above the state average in Kennebec (99.7), Franklin (97.0), Piscataquis (96.8), Penobscot (94.9), Aroostook (94.5) and Oxford (93.9). Hancock and Washington counties have the lowest special education teacher ratios at the elementary school level at 51.3 and 57.5, respectively. At the middle school level, Piscataquis (80.3) and Kennebec (79.9) have the highest special education teacher ratios while Sagadahoc and Waldo have the lowest, at 52.1 and 49.2, respectively. At the high school level Aroostook (115.9), Oxford (101.9) and Penobscot (101.6) have special education teacher ratios, well above the statewide average (89.0). The lowest special education teacher ratio at the high school level is Washington county, with 51.3 students per FTE.

Ed tech ratios by school grade level, both statewide and school-level, are displayed below in Tables 15 and 16. Table 15 includes only EPS-funded regular education ed tech positions; it does not include those engaged in special education. Table 16 displays the FTE and ratios by grade level for non-EPS special education ed techs.

Table 15: EPS-only ed tech FTE and county-wide and school-level ratios by school grade type, SY2024

Type of school (# of schools)	Statewide FTE	Statewide ratio	School-level, median (range)	# (%) of schools with zero EPS ed tech FTE
Early elementary (n=51)	269.8	51.3	51.0 (27.1- 480.0)	2 (4%)
Elementary (n=177)	707.4	61.6	60.1 (4.0 – 559.0)	3 (2%)
Intermediate (n=37)	118.9	79.7	69.9 (30.2 – 304.5)	3 (8%)
Elementary/middle (n=82)	203.5	80.0	67.0 (11.7 – 1,260.0)	15 (18%)
Middle (n=79)	143.0	204.2	188.9 (27.7 – 1,980.0)	14 (18%)
Middle/High school (n=21)	34.7	152.3	121.7 (35.7 – 476.0)	7 (33%)
High school (n=92)	208.3	226.6	197.0 (41.5 – 1,048.0)	12 (13%)

Notes: Data obtained from the Maine DOE. Schools include all regular publics and public charters. Ed techs include technicians at levels I, II and III. Statewide ratios include schools with zero FTE. Schools designated small and isolated are included.

- Middle and high schools are more likely to have no regular education ed tech staff; only 2 to 4% of elementary schools had zero ed tech FTE in SY2024 compared to 18% of elementary/middle and middle schools, 33% of middle/high schools and 13% of high schools.

- Regular education ed tech ratios are smaller (i.e., fewer students per ed tech FTE) in elementary schools. For example, the statewide regular education ed tech ratio for elementary schools was 61.6 students per ed tech FTE while for middle schools it was 204.2 students per FTE and for high schools it was 226.6 students per FTE.

- The EPS recommended ratio for regular education technicians is 114 students per FTE for grades PK through 5 (103 if the SAU has fewer than 1,200 students), 312 students per FTE for grades 6 through 8 (281 for smaller districts), and 316 for grades 9 to 12 (284 for smaller districts). The statewide ratios and the median school-level ratios are all well below the recommended EPS ratios.

- Note, however, that the range of ed tech ratios at the school level is quite wide. Among the 221 early elementary and elementary schools with ed tech staff, 40 schools (18%) have ratios above the EPS recommended 114 students per FTE. Of the 65 middle schools that have ed tech staff, 16 (25%) have ratios greater than the EPS recommended 312 students per FTE. Among the 80 high schools with ed tech staff, 19 (24%) have ed tech ratios greater than the EPS recommendation of 316 students per FTE.

Table 16: Non-EPS (special education) technician FTE county-wide and school-level ratios by school grade type, SY2024

Type of school (# of schools)	Statewide FTE	Statewide ratio	School-level, median (range)	# (%) of schools with zero EPS Ed Tech FTE
Early elementary (n=51)	503.7	27.5	27.2 (8.7 – 124.0)	0
Elementary (n=177)	1,521.4	28.7	32.7 (10.0 – 216.0)	9 (5%)
Intermediate (n=37)	306.7	30.9	32.8 (15.7 – 117.5)	0
Elementary/middle (n=82)	676.8	24.1	22.7 (4.0 – 103.0)	4 (5%)
Middle (n=79)	782.0	37.3	36.5 (12.5 – 122.5)	0
Middle/High school (n=21)	154.1	34.3	33.4 (14.3 – 267.5)	1 (5%)
High school (n=92)	840.1	56.2	54.0 (15.7 – 634.0)	1 (1%)

Notes: Data obtained from the Maine DOE. Schools include all regular publics and public charters. Ed techs include technicians at levels I, II and III. Statewide ratios include schools with zero FTE. Schools designated small and isolated are included.

- Special education tech ratios are smaller across all grade levels, compared to regular education tech ratios.

- The special education technician ratios tend to be somewhat smaller (i.e., fewer students per ed tech FTE) at the elementary school level and largest at the high school level. For example, the statewide special education tech ratio for elementary schools was 28.7 students per ed tech FTE while for middle schools it was 37.3 students per FTE and for high schools it was 56.2 students per FTE.

- Note: As with the regular education technician ratios, special education technician ratios increase in size with increasing school grade level but the differences are much smaller, ranging from 27.5 students per FTE at the early elementary level to 56.2 students per FTE at the high school level while the range for regular ed techs was 51.3 students per FTE to 226.6 students per FTE.

County-level ed tech ratios by school grade level are displayed below in Table 17. Because of the small numbers of atypically grade configured schools in rural areas we include only the typically configured schools.

Table 17: County-wide Ed Tech ratios, by school grade level, SY2024

County	Elementary		Middle		High school	
	EPS	Non-EPS	EPS	Non-EPS	EPS	Non-EPS
Androscoggin	73.1	37.5	216.3	51.5	216.2	74.8
Aroostook	72.8	27.5	117.6	39.0	294.7	73.0
Cumberland	64.9	31.6	188.6	41.0	215.1	67.6
Franklin	90.2	25.5	436.7	26.4	370.8	48.8
Hancock	80.3	18.7	457.0	30.5	200.6	38.2
Kennebec	49.1	32.5	118.8	35.3	156.0	58.4
Knox	45.3	24.3	144.7	27.7	181.6	45.4
Lincoln	47.6	23.8			171.0	57.0
Oxford	75.8	24.4	167.9	29.9	187.4	48.0
Penobscot	47.6	22.5	218.5	32.3	190.7	42.7
Piscataquis	72.6	14.9	148.5	55.0		
Sagadahoc	74.8	37.2	224.2	42.8	260.5	79.5
Somerset	84.3	24.5	341.0	34.4	824.5	61.5
Waldo	66.1	22.8	689.0	29.9	667.3	39.4
Washington	37.8	23.2			110.0	51.3
York	61.4	31.5	312.1	38.5	326.2	53.8
State	61.6	28.7	204.2	37.3	226.6	56.2

Notes: Data obtained from the Maine DOE. Schools include all regular publics and public charters. Ratios are county-wide total number of students per total technician FTE and include schools with zero FTE. Schools designated small and isolated are included. Blank cells indicate no schools.

- At the elementary school level, the statewide regular education tech ratio in SY2024 was 61.6 students per FTE. Franklin (90.2), Hancock (80.3) and Somerset (84.3) counties had the three highest regular education tech ratios that year. Androscoggin also had the highest special education non-EPS technician ratio at 37.5 students per FTE, 8.8 students per FTE more than the statewide ratio (28.7).

- At the middle school level, the statewide regular education ed tech ratio was 204.2 students per FTE. The counties with the three highest regular education ratios were Waldo (689.0), Hancock, (436.7) and Franklin (436.7). The regular education ed tech ratio was also significantly above the statewide ratio in York (312.1). While the differences from the statewide ratio are smaller for special education tech ratios, the ratio in Androscoggin (51.5) and Piscataquis (55.0) counties are the largest.

- At the high school level, the statewide regular education tech ratio in SY2024 was 226.6 students per FTE. Somerset (824.5), Waldo (667.3) and Franklin (370.8) had the three highest regular education ed tech ratios that year. Sagadahoc (79.5), Aroostook (74.8) and Aroostook (73.0) had the three highest special education tech ratios, with 16.8 to 23.3 more students per FTE than the statewide ratio (56.2).

Trends in Total and Per-Pupil Spending

The figures that follow depict how spending has changed statewide from 2001 to 2023. These data were compiled from the MDOE's annual budget category reports based on year-end detailed expenditure data reports.[9] The blue line in each chart represents the total spending in nominal (not inflation-adjusted) dollars. In order to gauge how those amounts compare to inflation, the yellow line in each chart depicts 2001 spending levels carried forward each year based on Consumer Price Index (CPI) inflation rates. Thus the size of the gap between the blue and yellow lines in 2023 illustrates how much spending has increased since 2001 compared to inflation since 2001.

The series of figures shows statewide General Fund spending over time in each of these key budget categories:

- Total Expenditures
- Regular Instruction
- Special Education
- Career and Technical Education
- Other Instruction
- Student and Staff Support
- School Administration
- Transportation
- System Administration
- Operations and Maintenance
- Debt Service

The first chart in each pairing shows total spending in each area, and the second depicts per-pupil spending (the total amount spent divided by the total number of students enrolled in public school districts). Selected key fundings are noted under the charts.

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[9] https://www.maine.gov/doe/funding/reports/expenditures

Public School Spending Over Time (General Fund)

Total Expenditures

Figure 1a: Statewide Total Expenditure
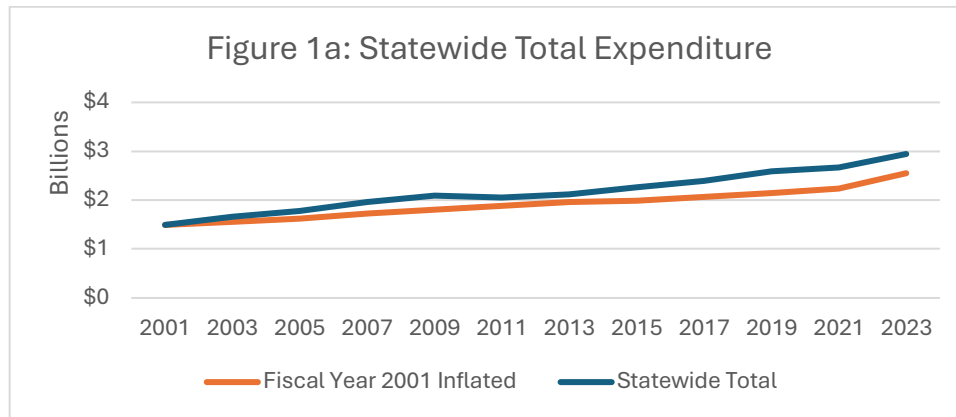
Total spending has increased more than inflation in the past 20 years (since FY2001).

Figure 1b: Statewide Per-Pupil Expenditure
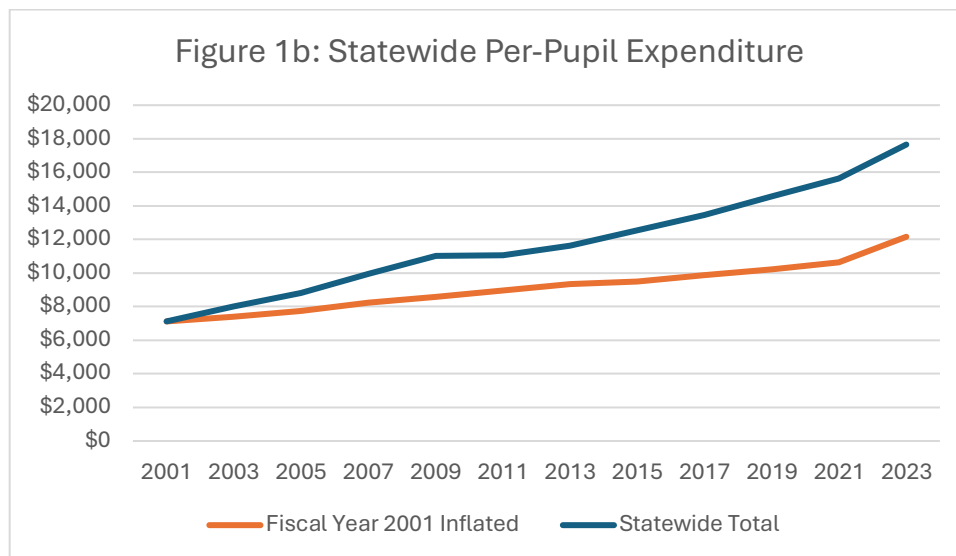
Per-pupil spending has increased even more due to the decline in students.

Regular Instruction

“Activities that provide students […] with learning experiences to prepare them for further education and training for responsibilities as citizens, family members, and workers.”[10] Includes Alternative education, pre-K, Multilingual Learner and Gifted and Talented program spending in additional to traditional classroom instruction.[11]
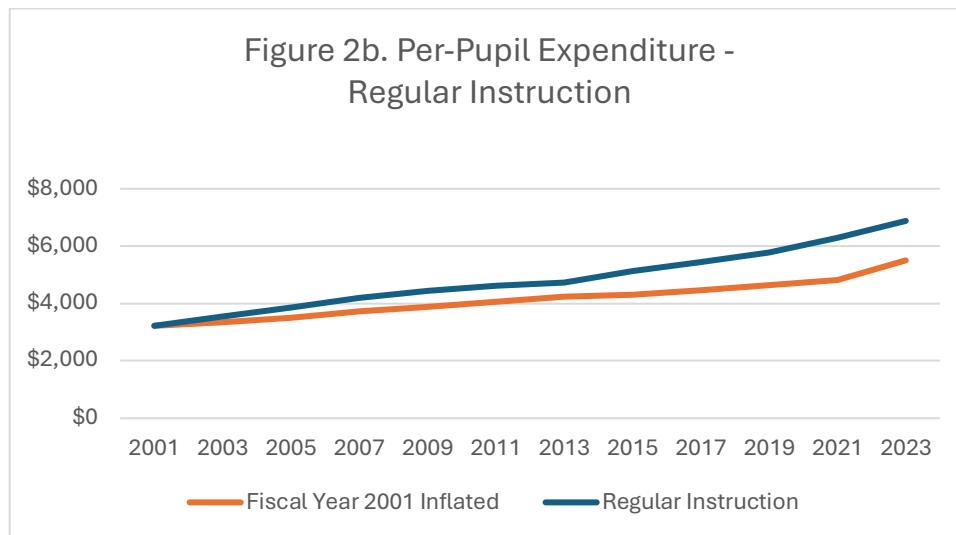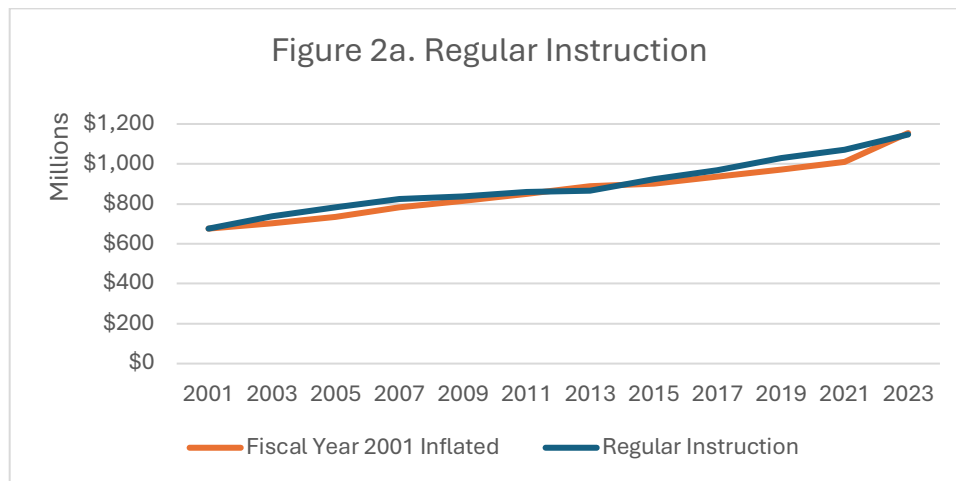
Figure 2a. Regular Instruction

Figure 2b. Per-Pupil Expenditure - Regular Instruction

Special Education

"Special Programs include activities for elementary and secondary students receiving services outside the realm of regular programs [...] related to conditions of intellectual disability, orthopedic impairment, emotional disturbance, developmental delay, specific learning disabilities, multiple disabilities, hearing impairment, other health impairments, visual impairments including blindness, autism, deaf-blindness, traumatic brain injury and speech or language impairments." Includes program and administrative costs.

Figure 3a. Special Education Instruction

(Y-axis: Millions, $0 to $600; X-axis: 2001 to 2023)

Legend: Fiscal year 2001 inflated — Special Education Instruction

Figure 3b. Per-Pupil Expenditure - Special Education Instruction

(Y-axis: $0 to $3,500; X-axis: 2001 to 2023)

Legend: Fiscal Year 2001 Inflated — Special Education Instruction
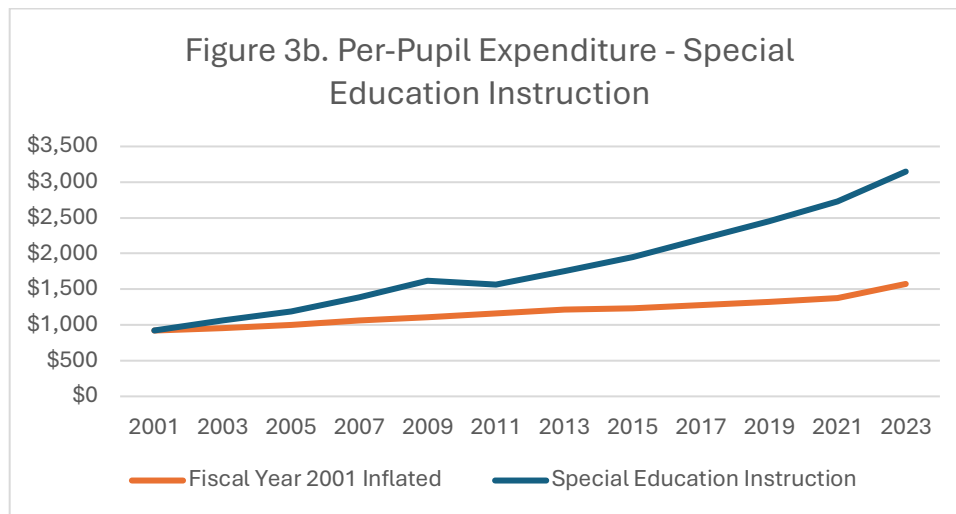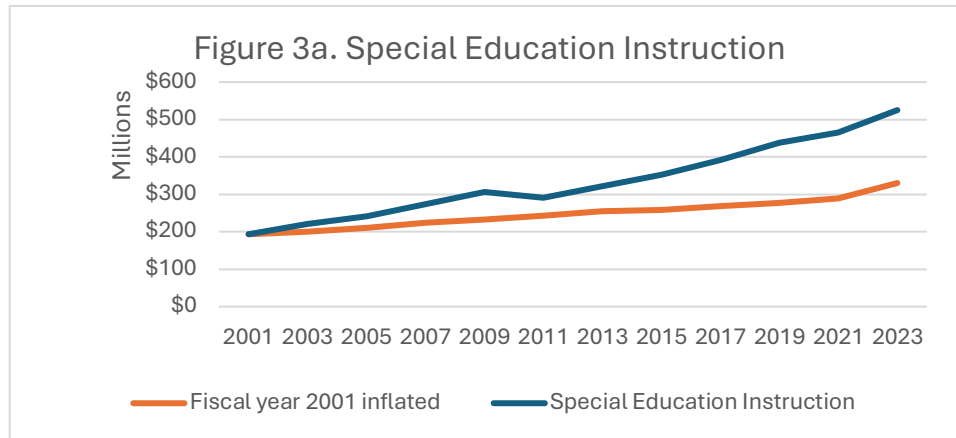
Career & Technical Education

"Activities delivered through traditional comprehensive and career and technical high schools that prepare students to meet challenging academic standards as well as industry skill standards while preparing students for broad-based careers and further education beyond high school."

Figure 4a. Career & Tech Education

Figure 4b. Per-Pupil Expenditure - Career & Tech Instruction
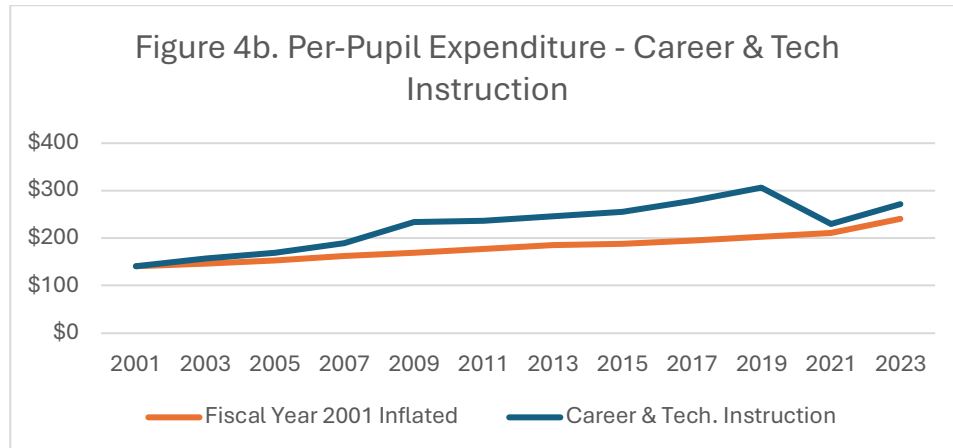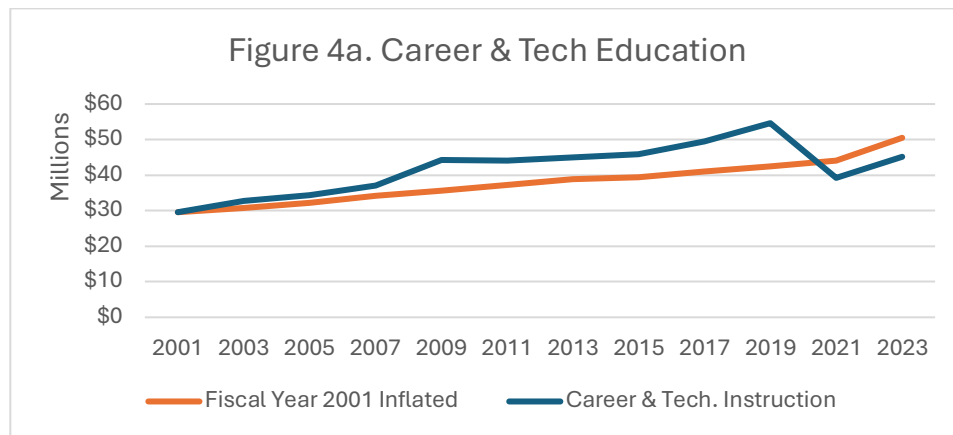
Other Instruction

Includes Co-curricular, Extra-curricular, summer school, and post-secondary enrollment spending.

Figure 5a. Other Instruction

Figure 5b. Per-Pupil Expenditure - Other Instruction
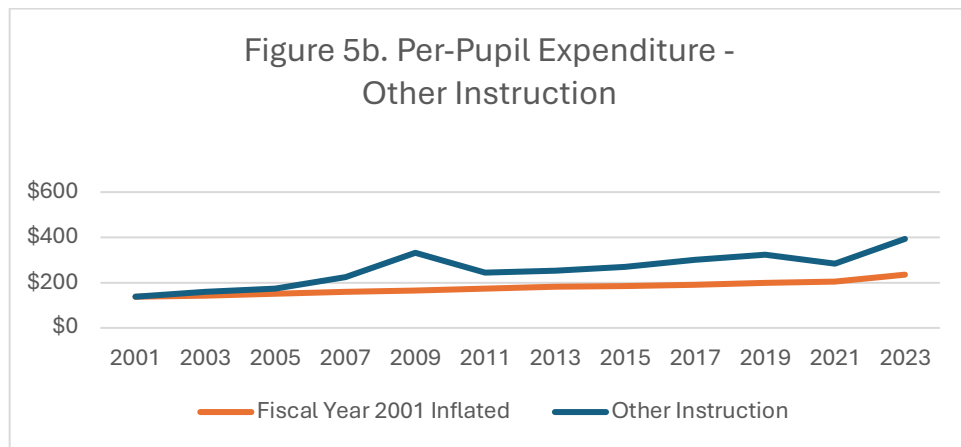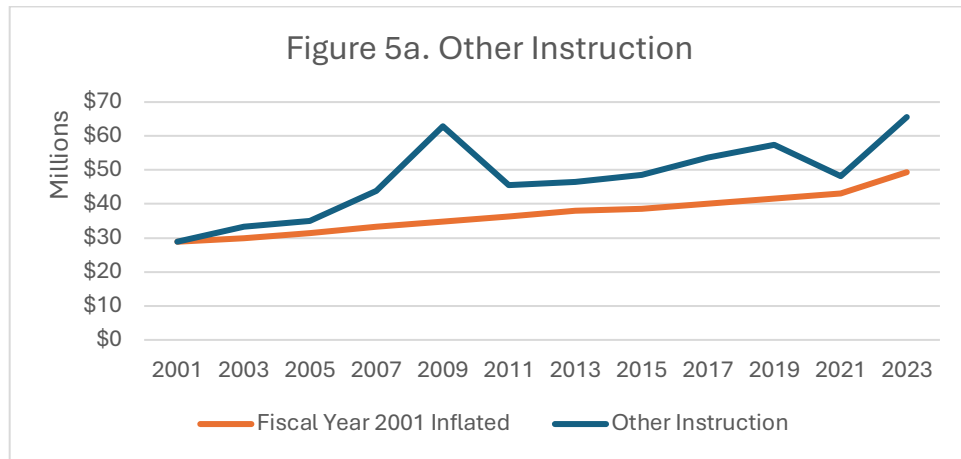
Student & Staff Support

<u>Student support</u>: Guidance, Health, Instructional technology, and Other student services

<u>Staff support</u>: Improvement of instruction, Instructional staff training (professional development), Library services, Student assessment

Figure 6a. Student & Staff Support

Figure 6b. Per-Pupil Expenditure - Student and Staff Support
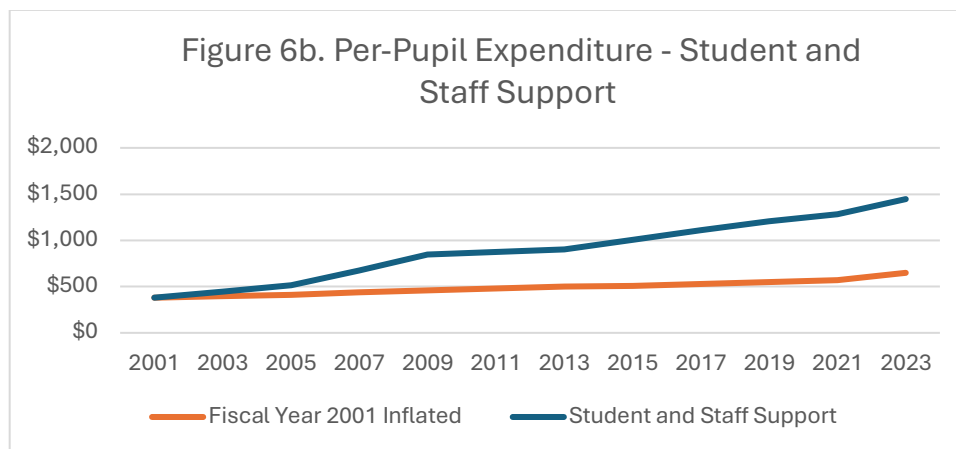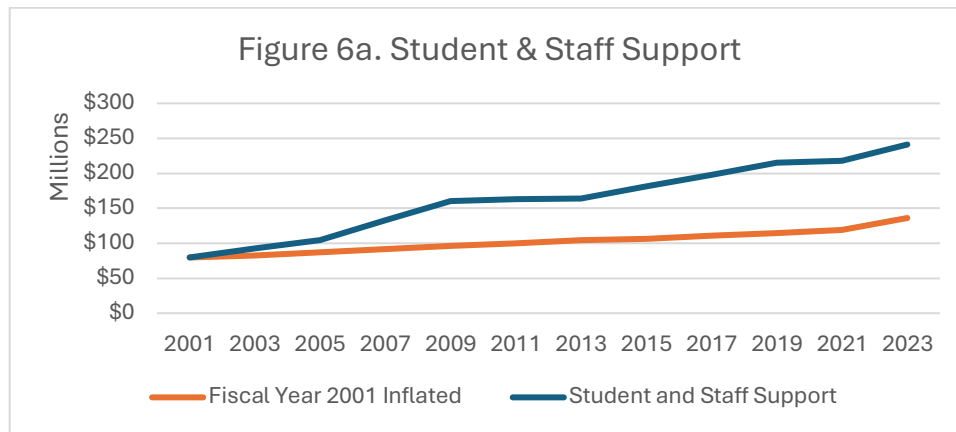
School Administration

"Activities concerned with overall administrative responsibility for a school."

Figure 7a. School Administration

Figure 7b. Per-Pupil Expenditure - School Administration
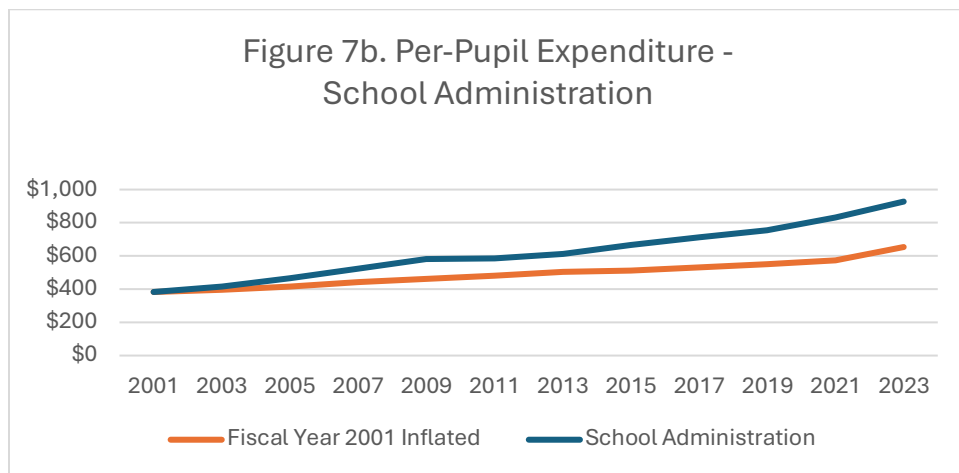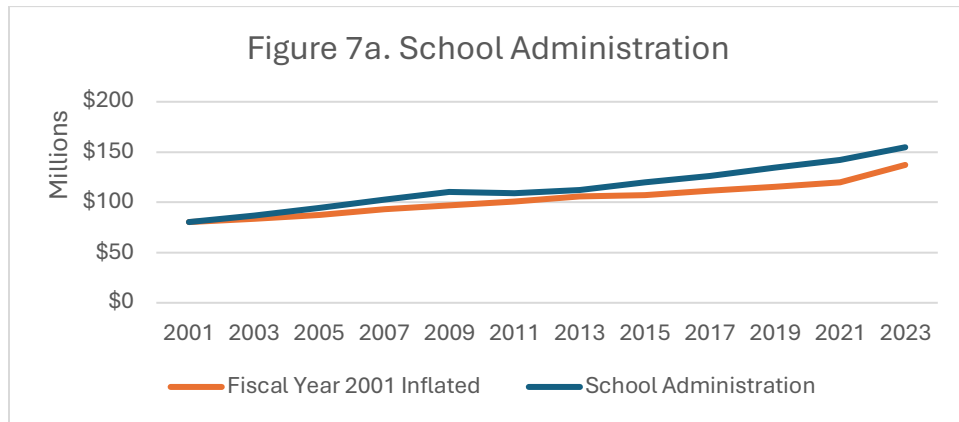
Transportation

"Activities concerned with conveying students to and from school, as provided by state and federal Law. This includes trips between home and school, and trips to school activities."

Figure 8a. Transportation

Figure 8b. Per-Pupil Expenditure - Transportation
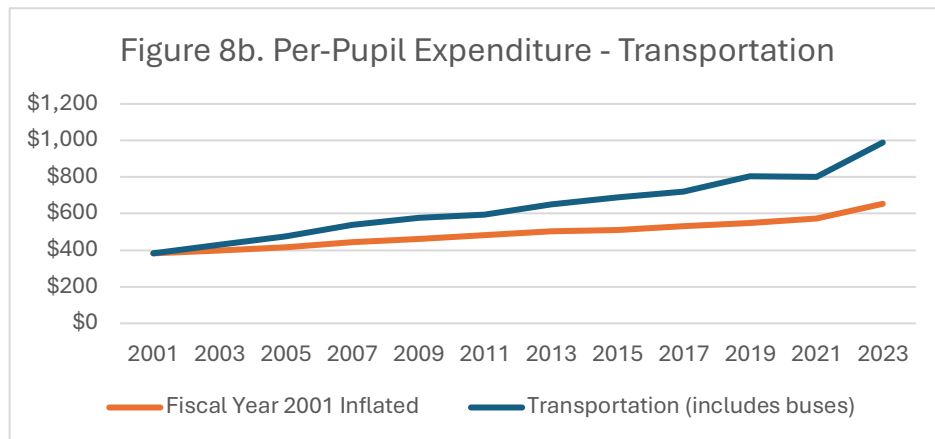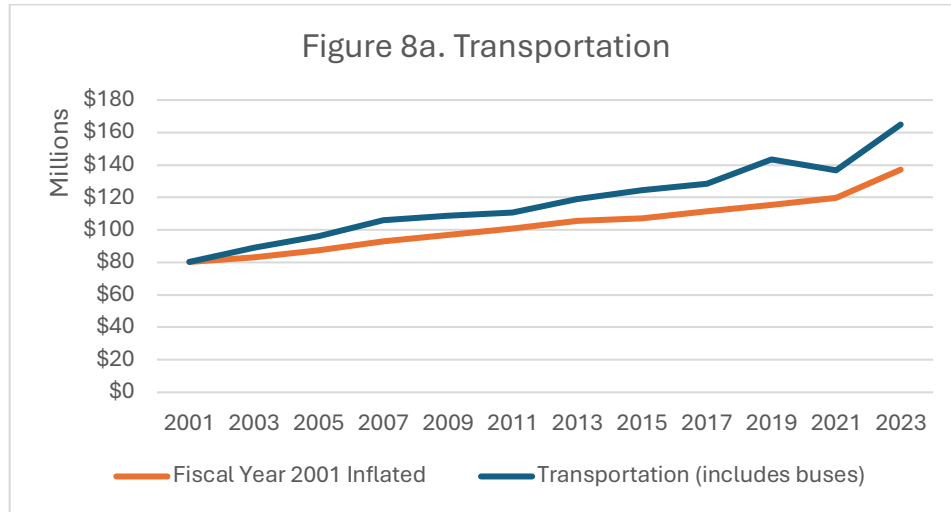
System Administration

Includes general administration ("Activities concerned with establishing and administering policy in connection with operating the school administrative unit" and Central Services ("Activities that support other administrative and instructional functions, including fiscal services, human resources, planning, and administrative information technology")

Figure 9a. System Administration

Fiscal Year 2001 Inflated — System Administration

Figure 9b. Per-Pupil Expenditure - System Administration

Fiscal Year 2001 Inflated — System Administration
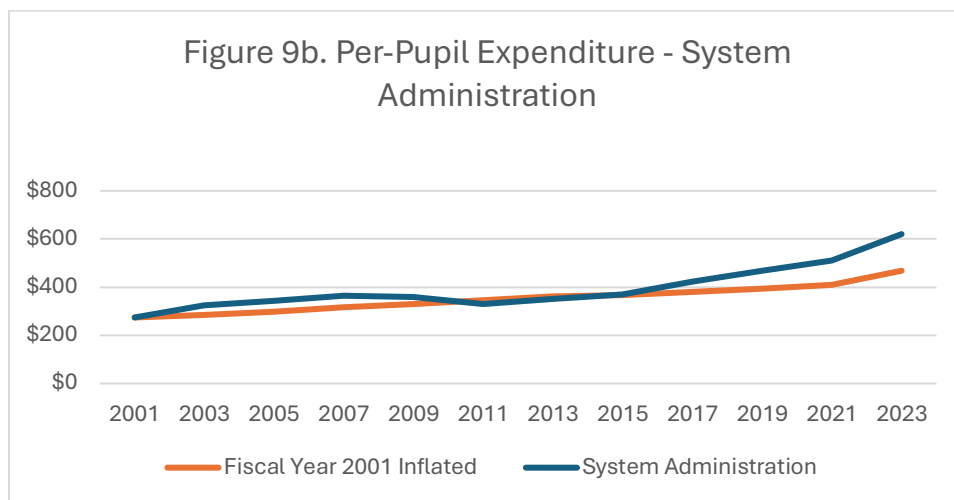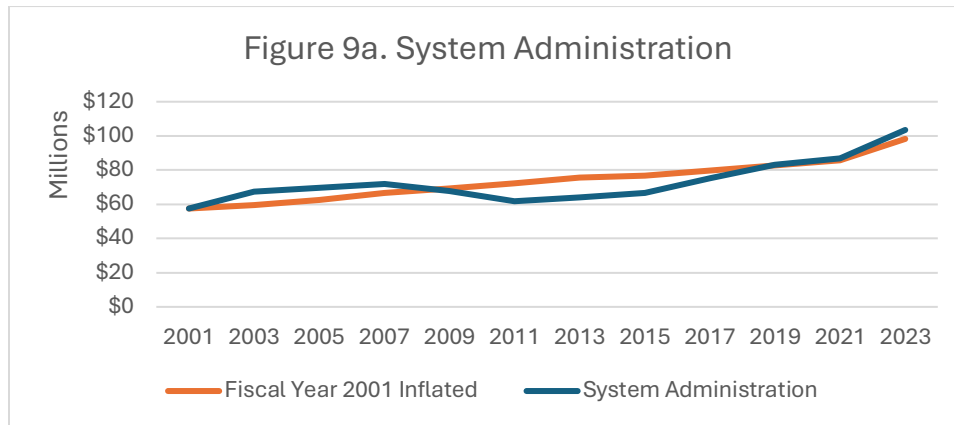
Operations and Maintenance

"Activities concerned with keeping the physical plant open, comfortable, and safe for use, and keeping the grounds, buildings, and equipment in effective working condition and state of repair. This includes the activities of maintaining safety in buildings, on the grounds, and in the vicinity of schools." Also includes property insurance.

Figure 10a. Operations and Maintenance

Figure 10b. Per-Pupil Expenditure - Operations & Maintenance
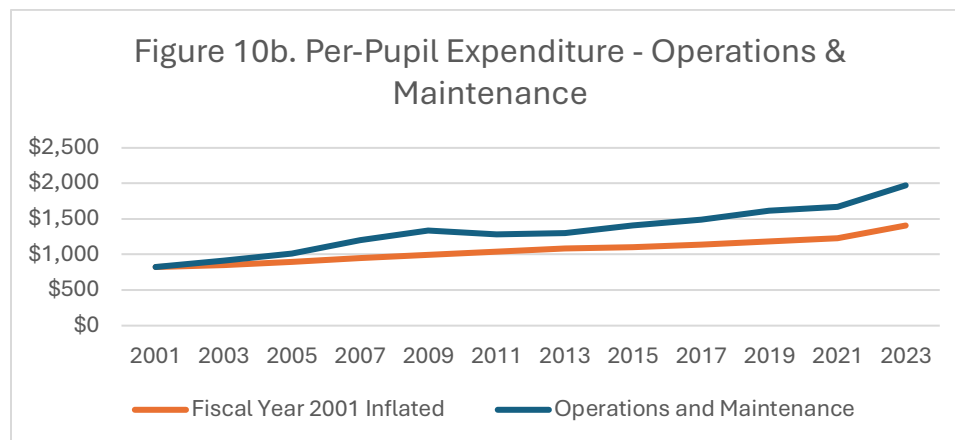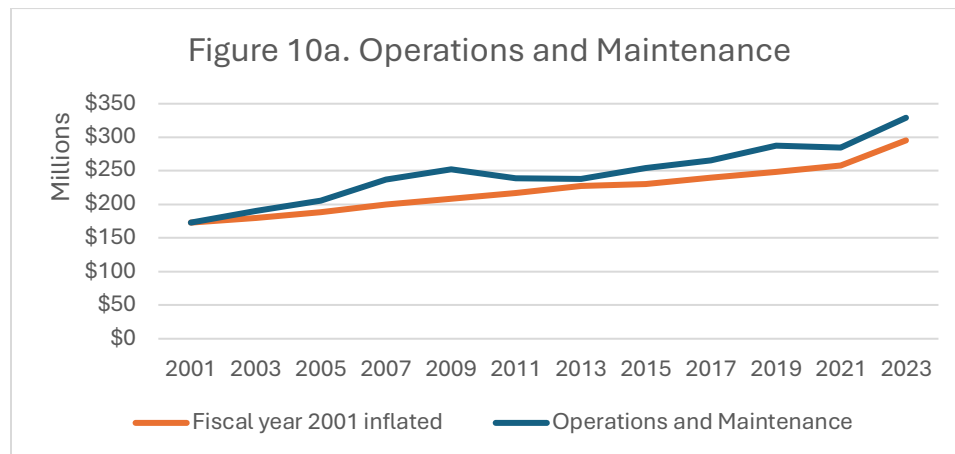
Debt Service

"Activities related to servicing the long-term debt of the school administrative unit, including payments of both principal and interest. […] bond interest payments, retirement of bonded debt (including current and advance refunding's), capital lease payments, and other long-term notes." Long term = greater than one year.

Figure 11a. Debt Service

Figure 11a. Debt Service (Millions, 2001–2023), with series: Fiscal Year 2001 Inflated; Debt Service

Figure 11b. Per-Pupil Expenditure - Debt Service

Figure 11b. Per-Pupil Expenditure - Debt Service (2001–2023), with series: Fiscal Year 2001 Inflated; Debt Service
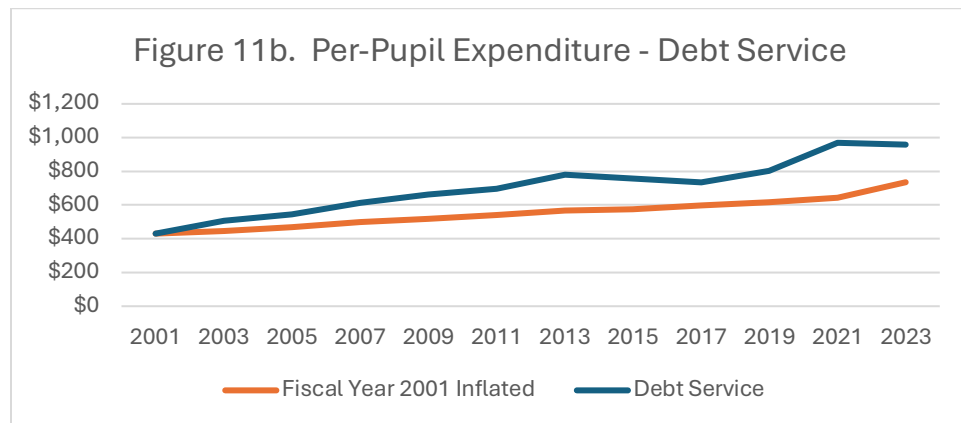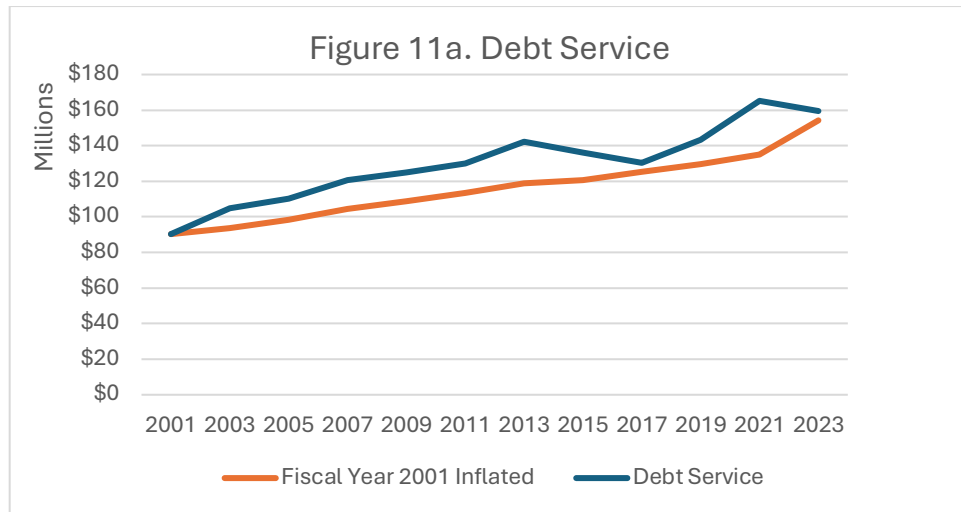
Spending Compared to EPS Estimates

Figure 12 below depicts the proportion that districts in each county spent compared to their EPS cost estimates. These data are based on the MDOE "Over/Under EPS" reports.[12] Each SAU was assigned to a single county based on the county where a majority of their students attend school. The combined total of budgeted amounts, as reported by the SAUs, was compared to the combined total of their EPS cost estimates. Districts that did not report budget data were excluded.

Figure 12. Spending Above EPS by County, FY08 to FY24
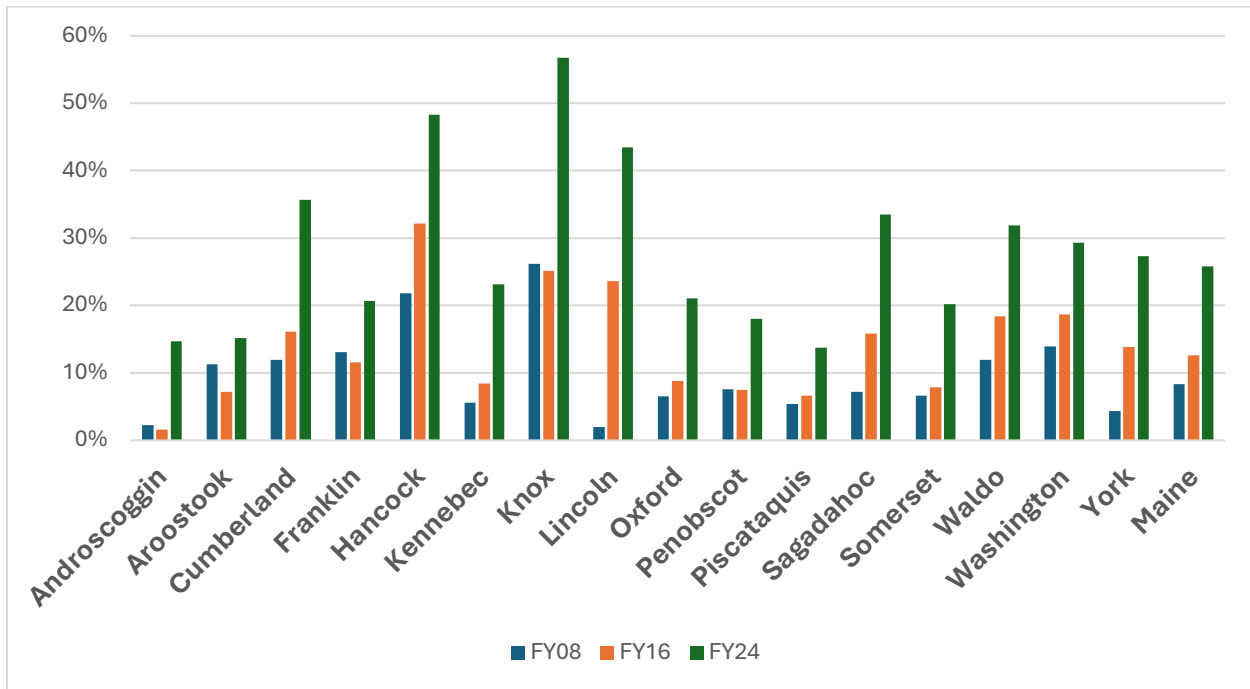
- School budgets are increasingly higher than the EPS model amount over time.

- In FY2024, the sum of all EPS allocations (i.e. 279 form amounts) was $2.34B. School budgets included at least an additional $604M (26% over EPS)

- Spending above EPS is not subsidized by the State and is paid through local taxes

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[12] https://www.maine.gov/doe/funding/reports/budget

PART II: ABILITY TO PAY

Part II addresses the topic of local SAUs' ability to pay for the costs of pk-12 education. First we situate the local funding of schools in a broader context, including taxation as the source of both local and state revenue for public school funding. The next section discusses how and by whom education is paid for in Maine. Then we describe Maine's approach to funding public pk-12 schools, Essential Programs and Services (EPS), and how local and state shares of education are determined. Finally, we offer a variety of state-level approaches to funding schools, including some specific alternatives policymakers may want to consider.

A. Broader Context of State Funding of Schools

Why do *states* fund education?

Every state funds local public schools to some degree and for a variety of reasons. For one thing, states fund education because they are directed to do so by their state constitutions. Each state constitution describes the goals of the state's funding and the general approach. In Article VIII, Section 1, the Maine Constitution directs the State to require local communities to provide schools for the education of their residents, but unlike many states, it does not require the State to contribute funds: "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."[13]

In addition to constitutional requirements to fund schools, states often find value in pooling resources as the state level for distribution to local SAUs to promote statewide civic, economic, and personal wellbeing, which are so often intertwined. In fact, a 2004 referendum introduced the requirement for the State of Maine to provide 55% of the estimated funding needed to operate public schools, leaving a 45% local share.[14]

State-level pooling of resources can specifically address the Maine Constitution's concern for "diffusion of advantages of education." There is evidence[15] of value in targeting additional funding to low-income students in particular, and specifically to spending on programs and initiatives that improve student achievement.[16] States can provide that additional funding in an effort to mitigate differences in quality of education between wealthier districts and their less wealthy neighbors. High quality education will support Maine citizens to fully access, defend, and promote their "rights and liberties." And when pk-12 graduates have the ability to

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[13] https://legislature.maine.gov/ros/LawsOfMaine/#Const
[14] See: https://legislature.maine.gov/doc/5412
[15] https://edlawcenter.org/assets/files/pdfs/publications/Investing_in_Students_Policy_Bri.pdf
[16] https://edlawcenter.org/assets/files/pdfs/School%20Funding/Money%20Matters%20Talking%20Points.pdf

make strong contributions to the state economy through well-paying jobs, this increases the economic wellbeing of the state, including positive social outcomes. Students who are not prepared to make those contributions may instead draw on or need to rely on state resources via various state systems—justice, housing, and healthcare, for example.

Maine's State-Level Approach to Funding PK-12 Public Schools

Maine's approach is grounded in equity. Equity is first embodied in Maine's Constitution, where benefits are described as being in the "diffusion of the advantages of education." Then, EPS in particular has the goal of each district having the resources needed to provide all its students the opportunity to reach the Maine Learning Results.[17] Because SAUs have varied abilities to fund local schools, the State provides subsidies to towns to help equalize funding levels to a point. The State also supports education through direct funding of other programs in which it has an interest. However, there is not a codified definition in statute or rule for the term "equity" as it is applies in Maine's school funding system. We generally understand the intent to be the provision of additional state funding to towns that are unable to afford the cost of a basic educational program without state support. However, the determination of "affordable" and whether a town has the ability to pay for its education costs is not cut and dry.

We begin this section by describing the sources of revenue for education in Maine at the state and local levels. Next, we provide both an overview and a more detailed description of the Essential Programs and Services (EPS) model used in Maine for estimating costs and allocating state subsidies, focusing on the way the model determines the state and local shares as well as the taxpayer equity implications of the current model. Included is a look at an alternative to the current model, the use of a local income measure in addition to local property valuation in determining the local ability to pay for schools in the EPS formula.

State of Maine Revenue Sources

Figure 2.1 below shows the major revenue sources for the State of Maine.[18] Out of these revenue sources, the General Fund is established, and it is out of the General Fund that public schools are financed.

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[17] See https://legislature.maine.gov/legis/statutes/20-A/title20-Asec15671.html
[18] See: https://legislature.maine.gov/ofpr/revenue-forecasting-committee/9609

Figure 2.1 State of Maine Sources of Revenue FY2024
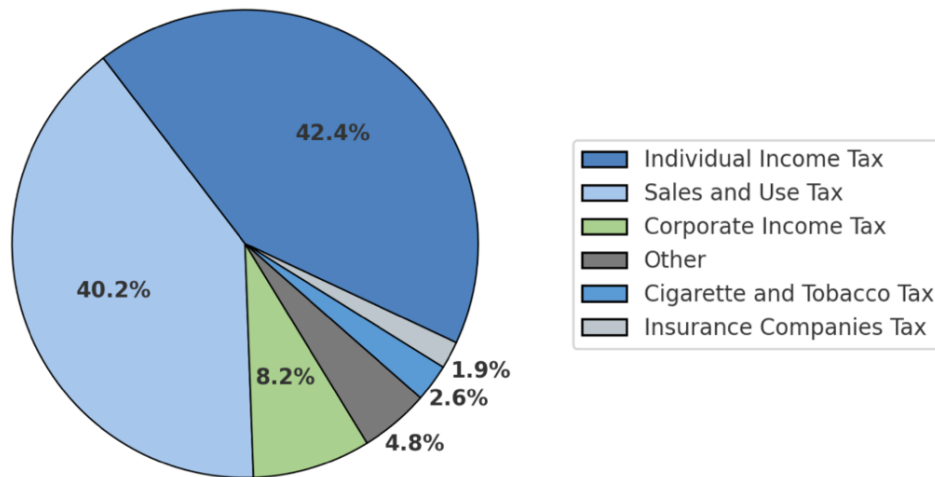
Source: Maine State Revenue Forecasting Committee

Each of these revenue sources affects specific types of taxpayers. When considering the pros and cons of each funding source, therefore, a lens of taxpayer type (including characteristics such as individual or corporate status, income, assets, residency status, and number of dependents) and required effort, as well as the downstream impacts can be helpful. Legislators can consider whether a particular mix of taxpayer types, efforts, and impacts are appropriate to both their specific and overall goals. A strategy which combines disparate approaches (e.g. statewide income tax and lodging taxes) can mitigate negative impacts on vulnerable groups while also diversifying revenue streams, thereby fortifying the state's ability to invest in education in a variety of economic and political circumstances, ensuring stability in school funding.

State of Maine Major Expenditures

Figure 2.2 below describes the major expenditures to be made from the General Fund in FY2025.[19] State contributions to pK-12 education were approximately 27% of the General Fund's budgeted expenditures in FY2025. The amount noted as "EPS" on the chart includes subsidies provided to school units as well as direct funding of other costs, such as Career and Technical Education and charter schools. This category of state spending comprises 55% of Maine's estimated total cost of basic education.

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[19] See p. 13: https://www.maine.gov/budget/sites/maine.gov.budget/files/inline-files/State%20of%20Maine%20Revenue%20and%20Expenditure%20Projection%20FY%202024%20to%202027_0.pdf

Figure 2.2 State of Maine General Fund Appropriations FY2025 (in $Millions)
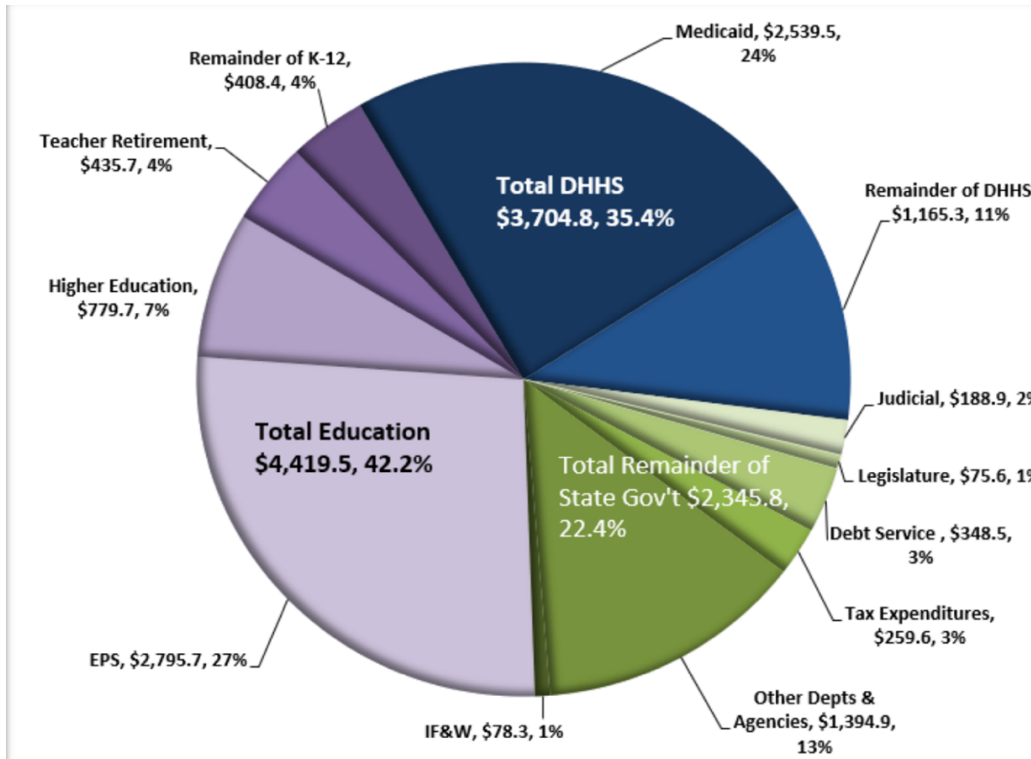
Source: Maine Department of Administrative and Financial Services

Figure 2.2 also illustrates that Maine spends about 4% of its General Fund revenue to bolster the teacher retirement (pension) system in addition to the teacher retirement contributions funded through the EPS category. Current investments in the system are not projected to cover the payments that will be needed to meet its obligations, creating an "unfunded actuarial liability" (UAL).[20] These payments to reduce the UAL are not counted toward the state's 55% share of the total cost of education.

Revenues for pK-12 Public Education

Maine's public schools are funded through locally-raised and federal money in addition to the State of Maine's contributions described above. Table 1 below shows approximate amounts from each source in FY2025. "Local (EPS)" refers to the amount raised by local towns to fund their share of education as calculated using the EPS formula, and "Local Additional" refers to local education funds raised <u>above</u> the total EPS estimated cost.

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[20] https://www.maine.gov/legis/ofpr/compendium/compend/COMPEND_files/2014Compendium/Section%20V.pdf

Table 2.1: Sources of Funding for Maine's PK-12 Public Schools, FY2025 (in $Millions)

State General Fund	$ 1,442 M
Local (to meet EPS)	$ 1,180 M
Local additional	~ $ 600 M
Federal USDE Title Programs*[21]	~ $ 175 M
Total**	$3,400 M

* *Federal title programs in FY2025 include Special Education ($71.6M), Title I (Disadvantaged Youth, $ 61.8 M), various other Title grants and Impact aid ($34.3 M), and Career and Technical Education funds ($7.2M)*

** *In addition to Title funds from the US Department of Education, most public schools also receive funds from other federal agencies, such as USDA (food and nutrition programs) and DHHS (MaineCare eligible services).*

Federal funds from the US Department of Education contribute a small but meaningful source of revenue to fund Maine's public schools (approximately 5% of the total spending on pk-12 schooling). These federal funds are required to be targeted to specific areas of need. Title grants support, among other things, teacher recruitment, professional development, and retention; technology integration and STEM, art, and physical education; and school safety initiatives. Federal funds are not meant to supplant state and local funds; they are meant to be supplemental, using funding to incentivize states to invest in certain areas and to assist them in complying with federal regulations. In FY2025 Maine directed $75 million to CTEs, for example, and an additional almost 10%, $7.2 million, was provided through federal funds.

Total Cost of pK-12 Education

Figure 2.3 below illustrates another way of depicting state and local education funding, known as the "total cost of education," for FY2025. Funding for the total cost of education is shared by the State (55%) and local school districts (45%). A large majority is comprised of the basic funding needed to operate public pK-12 school districts, as determined by the EPS cost model estimates. The sum of all districts' EPS estimates was $2.4 B in FY2025; this is depicted in the pink (state share) and light blue (local share) sections of the chart. In addition to the district EPS estimates, the total cost of education includes about an additional $180 Million to fund educational programs that are shared across multiple districts, such as Career and Technical Education and charter schools. The total costs also include about $35 Million in subsidies provided directly to eligible school units as directed by statute. These other costs are detailed in Part V of this report.

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[21] See https://www.ed.gov/about/ed-overview/annual-performance-reports/budget/budget-tables/fiscal-year-2023-fy-2025-presidents-budget-state-tables-for-the-us-department-of-education

Figure 2.3 Total Cost of Education in Maine

- EPS Local Share ($1.18 B)
- EPS State Share ($1.22 B)
- CTE ($75 M)
- Targeted ed programs ($72 M)
- Charters ($33 M)
- Minimum Adjs ($26 M)
- Other SAU adjs ($9 M)
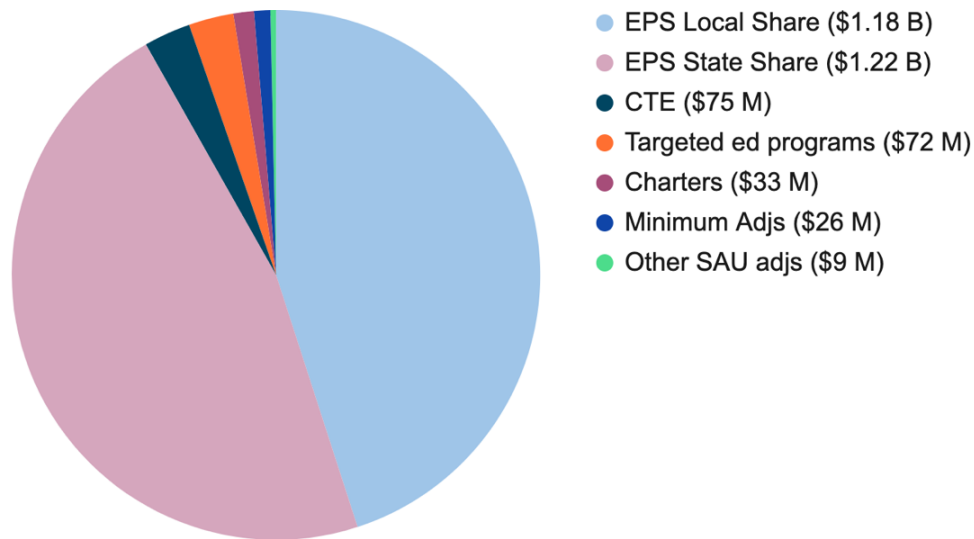
Source: Maine Department of Education[22]

Local Approaches to Funding Maine's PK-12 Public Schools

While the State relies primarily on income and sales taxes to fund its share of education costs, towns rely primarily on property taxes to fund their share of the costs of education. Towns also receive municipal revenue sharing, providing revenue to towns in the amount of $260 million in FY2025, which can be used to fund schools. Maine also allows local districts to benefit from philanthropic organizations that collect donations targeted to that district's needs. This can amplify differences in opportunity but it can also provide a way for districts with a large high-need population to afford special services that would not otherwise be fundable. In Maine, these types of organizations that collect substantial sums are largely in more urban areas or focus primarily on athletics.

Note that Maine does not collect property taxes at the state level to fund education, as is the practice in some other states. Property taxes are assessed locally. Policymakers may want to consider property taxation at the state level, and this is discussed later in Part II.

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[22] https://www.maine.gov/doe/sites/maine.gov.doe/files/inline-files/School%20Finance%20-%20FY26%20FY22%20-%20FY26%20General%20Purpose%20Aid%20State%20Contributions%20%28Purple%20Sheet%29%20-%201.23.2025.pdf

Property Taxes

Maine relies heavily on property taxes relative to other states. Property tax as a percent of local revenue is 30% on average across the country, while in Maine it is 56%. Also, Maine is first in the nation for property tax as percentage of personal income (5.3% vs 3.1% nationally), third for property tax as source of state and local revenue (23.4% vs. 15.5% nationally), and seventh in per capita property tax ($2,835 in 2021). [23]

There are several categories of property taxpayers. Residential property owners represent the largest group and encompass both wealthy(high-income), and low-income year-round homeowners. They also include Maine resident "camp" owners in addition to out-of-state second homeowners. Commercial property owners also pay property tax, and they can be small businesses or large corporations. Each of these different types of property taxpayers is assessed, nominally, the same property tax rate as required by the Constitution in Article IX, Section 8. This means that the amount raised is proportional to the value of the property. However, property taxes are somewhat regressive in practice, as they require a greater share of the income in lower-wealth households compared to higher income owners.

Having established a general understanding of the State of Maine's revenue sources for education as well as local sources of revenue, the next section discusses how state-level funds flow to local districts to contribute to the funding of schools.

B. Essential Programs and Services (EPS)

Overview

The State and local funding described above come together in Maine's Essential Programs and Services (EPS) formula for funding public pk-12 schools. The EPS formula has two parts: the **cost model,** which estimates the funding that each district needs to educate its students, and the **distribution method** for determining how much support is needed from the State for each district to afford its basic education costs. This section will break down how the two fit together to create the EPS formula. The actions taken in the model are described here as "steps" for clarity of explanation, although some determinations are taken simultaneously or iteratively by the Department of Education when using the formula.

The **cost side**, which emphasizes *student equity*, estimates how much each district is likely to need to spend to provide the educational opportunities its students need to achieve the Maine Learning Results. The formula for assessing costs was designed in the late 1990s and early 2000s and implemented in FY2005. Factors such as student enrollment, student characteristics, and regional variation in costs factor into the estimated cost. The **distribution side**, which emphasizes *taxpayer equity*, determines the state's share and the local town's share of the cost estimate. It is based on an expectation that all towns will ask their property owners to

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[23] Lincoln Institute, 2024 https://app.lincolninst.edu/sites/default/files/me_march_2024.pdf

pay at least a fixed percentage of their property value (the statewide mil rate expectation) toward the town's education costs. The primary factor in determining a local town's share of funding is its total property valuation.

The first step begins with **costs**. As described above (see Figure 2.3), the total cost of education includes not only the estimated cost for each town, but also the costs of CTEs, charter schools, and other pK-12 programs and adjustments. This total is the basis for how much funding the State needs to allocate to meet its obligation of a 55% share of the statewide estimated total cost of education.[23] In FY2025, the estimated total cost of education was about $2.62B, leading to a state share of $1.44B.

Next, the State determines the money needed to pay the programs, services, and district adjustments required by statute. In FY2025, this was about $215M. The remainder of the 55% State funding ($1.22B in FY25) is then available to provide to school districts as state subsidy. Note that this total pool of subsidy has not yet been assigned to individual districts.

The remaining steps are concerned with the **distribution** of state subsidy to local SAUs in inverse proportion to their member towns' ability to pay for the costs estimated by the EPS model (in Step 1).

In step three, the Maine Revenue Service calculates the total taxable property value for each municipality in the entire state and for the state as a whole.

The fourth step is for the MDOE to determine the multiplier (mil rate) that, when applied to the total value of all taxable property in the state, will generate the funds needed locally to cover the 45% remaining share of estimated education costs after state subsidies.

This mil rate, the statewide mil rate expectation, is then applied to each town's property valuations to determine how much will be raised when each property owner pays that same rate in property tax. The total amount raised in each town through the fixed statewide mil rate is its local required share of their district's EPS costs. In other words, each town is asked to pay a certain set proportion of its total property value toward the EPS estimate of their education costs.

As the last step, the state calculates the amount of subsidy needed, if any, to fill the gap between the local required share and the total estimated cost of education. Towns with low total property value relative to their education costs will have a larger gap, and thus receive more subsidy, than those with higher property value.

The next section describes this process in greater detail and addresses the next steps in assessing each town's ability to pay for their local costs of education. To note is that the 55% State share is a fixed amount once the total cost of education is calculated each year. This means that when a policy change results in one district receiving a greater portion of that 55% share,

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[23] Maine Revised Statutes Title 20-A, Section 15671, subsection 7, paragraph B.

another district(s) must receive less to make up the difference. This results in what stakeholders call "winners and losers."

Determining State and Local Shares of Education Costs: A Deeper Look at EPS

This section provides more detail for readers looking to understand the mechanisms of the Essential Programs and Services (EPS) model. Here we describe how exactly the local and state shares of pk-12 education are calculated and how this effects equity for taxpayers and students.

The cost side of EPS was originally designed to calculate the minimum funding level needed by each School Administrative Unit (SAU) to provide essential programs and services to their students so that all Maine students have an equal opportunity to achieve the Maine Learning Results. The resulting amount—the total "EPS allocation" for each SAU— is based on district enrollment and recommended per pupil amounts for staffing, supplies and equipment as well as student assessment, staff professional development, transportation and other school operating costs. Adjustments are made to the allocation based on circumstances that have been determined to increase costs, such as specialized student populations including students with limited English proficiency, economically disadvantaged students, and students with special needs, as well as factors such as small school size and remote location. The EPS formula also adjusts personnel costs for differences in staff experience and education and regional differences in salaries. The allocation is meant to be an *estimate of the minimum funds necessary* for the SAU to provide adequate schooling. Local communities can, and do, choose to fund more than the required EPS allocation through local funding, typically through local property taxes. School budgets, and how the funds are spent, are local decisions.

Rather than applying the same state funding to all districts equally, Maine has a formula for cost-sharing that provides a greater share of state subsidy toward the EPS allocation in communities deemed to have a lower ability to pay for education due to a lower property tax base.

Defining "Ability to Pay"

The amount a local community is required to pay towards its local educational costs depends on its taxable commercial and residential property valuation. This total local valuation is treated as the town's "ability to pay." A high property valuation, or a high ability to pay, will increase the size of the local required share and reduce the relative size of the state subsidy. The intent is to equitably distribute state funds so that towns and districts that need state subsidy the most receive it.

Each year, the state determines a fixed mil rate – the amount of tax to be paid per $1,000 of property value – that will raise 45% of the statewide cost of education when applied to all taxable property across the state. Each local community with resident pK-12 students is expected to apply this same mil rate to its equalized taxable property value (a figure determined by the Maine Revenue Service) to raise funds for their local schools. The amount which can be raised

by the application of the statewide mil rate to the town's assessed taxable property value is called the *"local expected contribution."*

In most towns, the local expected contribution is less than their EPS allocation amount (the local cost estimate produced by the EPS formula). In these cases, the State fills the gap between the local expected contribution (the town's estimated ability to pay) and the town's total EPS allocation (the EPS cost estimate). Typically, there is a gap between the cost estimate and the ability to pay. The size of the gap determines the size of the subsidy. The gap can be larger if either the town has a lower-than-typical property valuation or the town has a higher-than-typical estimated cost of education based on the number of students and/or their anticipated needs. Conversely, when the property tax base is robust or the expected cost of education is lower than typical (such as in towns with small enrollments), then the gap to be filled through state subsidy is relatively small, or even zero. Table 2.2 illustrates these concepts using two pairs of similarly-sized districts in FY2020.

Table 2.2. Example FY20 Subsidy Calculations (8.28 Statewide Mil Rate)

Community	Community A (High Receiver)	Community B (Low Receiver)	Community C (High Receiver)	Community D (Minimum Contributor)
Resident Students	1,673	1,670	550	600
A. EPS Allocation	$19.7 M	$17.9 M	$5.8 M	$6.6 M
B. Total Property Value	$703.1 M	$1,581.0 M	$200.5M	$940.3
C. Local Expected Ability to Pay (Line B * 8.28 mils)	$5.8 M	$13.1 M	$1.7 M	$7.8 M
D. Local Required Contribution (the lower of Line C and Line A)	$5.8 M	$13.1 M	$1.7 M	$6.6 M
E. Actual local mil rate	8.28	8.28	8.28	7.0
F. State Subsidy, **before adjustments** (Line A – Line D)	$13.9 M (70%)	$4.8 M (27%)	$4.1 M (71%)	$0

In essence, this system is grounded on an assumption that property wealth is a good reflection of ability to pay, and therefore that it is fair to expect all property owners to pay the same equal percentage of their property's value toward public education. The State gives more funding to towns with total property values that are too low to raise enough funds locally through the fixed, statewide common mil rate. The analyses in the sections that follow are intended to examine whether this assumption is valid.

Defining "Minimum Contributors"

In some cases, illustrated in Community D above, a town's calculated local expected contribution (total taxable property value * statewide mil rate) is *greater* than its EPS allocation (cost estimate). Communities are, by law, only required to raise enough funds to cover their own town's EPS allocation. Since they can reach their EPS allocation without assessing the full state mil rate expectation, their *effective* local mil rate—the amount of property tax per $1,000 in property valuation necessary to equal their EPS allocation—will be lower than the mil rate required in other communities.

In other words, each Maine town is expected to levy *either* the amount equal to the statewide mil rate multiplied by their property valuation *or* the amount of their town's EPS allocation, *whichever is less*.

In our hypothetical example above in Table 2, the mil rate necessary to raise the local required contribution for Community D is 7.0. In FY2020 there were 140 towns (28%) whose expected local required contribution was greater than their EPS total allocation. While the statewide mil expectation was 8.28, the effective mil rates needed for these towns to raise their EPS allocation ranged from 0.06 to 8.25.

Maine statute (MRSA Title 20-A, §15689) requires that every school administrative unit (SAU) receive a minimum amount of state subsidy, even minimum contributors who are able to raise their total EPS allocation using a mil rate less than the statewide mil rate. When applying the statewide mil rate to local property valuation results in a local required contribution greater than 95% of the district's EPS allocation, the SAU receives an adjustment to ensure it receives at least 5% of their EPS allocation in subsidy. Alternatively, the SAU may receive 50% of their special education costs—if that amount is *greater*. This is usually the case if the SAU operates a school. After these minimum contributor adjustment(s) are made in Section 5 of the EPS formula, the actual local mil rate for EPS drops even further below the statewide mil rate.

In FY2025, 104 of Maine's 252 non-charter public school districts have one or more towns that raise less than the state mil rate toward EPS. 45 have fewer than 100 students and 32 do not operate schools. 34 are RSUs or CSDs, where only some towns have a local mil rate below the statewide rate. 25 are municipal SAUs. "Minimum contributor" SAUs tend to have either high property valuations and/or small numbers of students and most have substantial vacation or commercial property.

Apportioning Share in Districts Comprising Multiple Towns

In districts comprising multiple towns, the district's total EPS allocation is first calculated based on all resident students. This amount is then divided proportionally, based on each town's percentage of the total district enrollment, to determine the amount of the total EPS allocation that is attributed to each town. The local required contribution and the state subsidy is then calculated separately for each member town. There can be high-subsidy and low-subsidy towns

within the same district. As with municipal school units, towns within multi-town districts are not required to raise more than their proportional share of the district EPS allocation; this may be less than what would be yielded by the statewide mil rate expectation.

Table 2.3 below describes this scenario. RSU 21 is made up of three towns: Arundel, Kennebunk and Kennebunkport. In FY25 both Arundel and Kennebunk had mil rates equal to the state mil rate, 6.62, to meet their local required contribution. Kennebunk had more than twice the number of students than Arundel but its state subsidy was smaller by more than $3.5 million because of its significantly higher property wealth and larger local required contribution. Kennebunkport, on the other hand, with its combination of high property valuation and smaller number of students, would have raised more than its local required contribution if it applied the statewide mil rate to its total property valuation. Instead, based on current law, it was able to apply a lower mil rate than the statewide mil rate (1.66 mils) to raise funds equal to its EPS allocation. Table 3 illustrates how EPS establishes local contributions and state subsidy (before adjustments) in multi-town districts.

Table 2.3. Example FY25 Subsidy Calculations for an RSU

School Administrative Unit	RSU 21 (Total SAU EPS allocation)		
Town	*Arundel*	*Kennebunk*	*Kennebunkport*
Subsidizable Students	602.5 (25.02%)	1,485.5 (61.69%)	320.0 (13.29%)
A. EPS Allocation	$8.9 M	$22.5 M	$4.8 M
B. Total Property Value	$604.6 M	$3,215.9 M	$2,921.9 M
C. Local expected ability to pay (Line B * 6.62 mil rate)	$4.0 M	$21.3 M	$19.3 M
D. Local Required Contribution (Line C, unless Line C > Line A, then Line A)	$4.0 M	$21.3 M	$4.8 M
E. State Subsidy, before adjustments (Line A – Line C, unless Line A < Line C, then 0)	$4.9 M	$1.2 M	$0

Note: Kennebunkport is not required to raise the full statewide 6.62 mil rate expectation, as it would exceed their share of the RSU 21 EPS allocation by $14.5 M. Instead, the town was required to raise a minimum of 1.66 mils toward EPS education costs.

Some towns within multi-town districts are determined to be eligible for a minimum contributor adjustment based on criteria in Title 20-A section 15689 paragraph 1(B). This is typically because they had received such an adjustment prior to Maine's school district consolidation effort in FY2009. If so, adjustments are then made as described in the preceding section about minimum contributors.

Equity Challenges in Calculating Ability to Pay

To address taxpayer equity, the state's 55% share is distributed according to local ability to pay. Currently, as detailed above, local ability to pay is determined using total property value. An ongoing concern is that property value may not adequately and fully capture local ability to pay. Even if property tax base is the best single indicator (or single-variable measure) of ability to pay, there may be other factors that can be added to the process to improve how well EPS achieves the goal of equitable distribution of the State's 55% share of the cost of education.

As detailed previously, the amount a local community is expected to pay towards its EPS allocation depends on the valuation of its commercial and residential property, with the same mil rate applied statewide to each $1,000 worth of property value. The State makes up the difference between the local required contribution and the town's total EPS allocation. Because the same mil rate is applied to all property statewide, at least in the first part of the formula, the way EPS determines a town's ability to pay seems on its face to be equitable.

However, for about one-quarter of towns in Maine, the actual local mil rate used to raise the local required contribution toward EPS is lower than the statewide mil rate expectation. These towns are the minimum contributors described above. They have higher than typical property wealth or fewer students and sometimes both. Maine does not have a state-level pay-in system where towns that can raise more than their local required amount are required to "pay-in" to a pool of extra funds that are used to help finance schools in lower-wealth areas. Therefore, communities are required to raise only the amount needed to educate their own resident students.[24] This means that in some towns, taxpayers are required to pay less per $1,000 in property wealth towards their education than in other towns.

In effect, Maine does not have a statewide mil rate. It has lower effective mil rate expectations for some towns, which tend to be somewhat wealthier. If Maine did require every town to apply the full statewide mil rate, and to contribute funds raised thereby over their own EPS allocations to the State for redistribution to other localities, it would increase the funds available for Maine districts overall and lower the mil rate expectation for everyone.

Consideration of Income as a Measure of Local Ability to Pay

The Committee to Study Organizational and Tax Issues in Public Schools, created by the 116th Maine Legislature in 1995, argued that even equal mil rates are not necessarily fair because they do not reflect actual tax burden. The Committee recommended that both property valuation and income be used to determine each community's local ability to pay and its required contribution.

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[24] Maine's pay-in system was repealed by referendum in 1978 and the subsequent School Finance Act of 1978. Per Dow, Patrick M. and Ralph Townsend. "Reforming Maine's Education Funding Process." *Maine Policy Review, Volume 7,* Issue 1 (1998) https://digitalcommons.library.umaine.edu/mpr/vol7/iss1/2

The argument for including income in the state's funding formula is based on two points, the first being that property tax bills are paid using income not property wealth and second, that property taxes can be more burdensome for lower-income payers. Except for rental income, property wealth generally reflects future ability to pay (after the property is sold) while property owners pay their property tax bills using current income.

Secondly, property taxes can be regressive because they apply a fixed mil rate that results in the same tax bill for all properties with the same valuation, regardless of the owners' income levels. Owners whose incomes have not kept pace with rising home valuation, or retired residents on fixed incomes, may struggle to pay their property tax bill compared to wealthier owners of similar properties.[25] Moreover, there is national research evidence showing that less expensive properties tend to be over-assessed more often than expensive properties, resulting in a disproportionate increase in tax burden for some lower-income homeowners;[26] this may also be the case in Maine.

Of particular concern are the towns in Maine with high property valuations but low incomes. Some towns have more property wealth because a shortage of housing supply coupled with higher demand drives up home values. Towns with waterfront property and more vacation homes also tend to have higher property values. Yet the long-time homeowners and year-round residents in these towns are not necessarily earning incomes commensurate with their higher-valued homes.[27]

The 1995 Committee to Study Organizational and Tax Issues in Public Schools also argued that using both income and property wealth to determine local ability to pay could help minimize the impact of abrupt changes in either of the two factors. Indeed, recent spikes in home prices in some Maine towns are behind calls for changes to be made to how Maine distributes state assistance.[28] (In 1996, income was added to the ability to pay formula, but was repealed a few years later due to unintended consequences, as discussed in more detail below.)

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[25] See: Regressive Tax: Definition and Types of Taxes That Are Regressive
https://www.investopedia.com/terms/r/regressivetax.asp; Levinson, A. America's Regressive Wealth Tax: State and Local Property Taxes https://ariklevinson.georgetown.domains/PropTaxAEL.pdf
[26] Amornsiripanitch, N. Why Are Residential Property Tax Rates Regressive? Federal Reserve Bank of Philadelphia Supervision, Regulation, and Credit Department, January 2022. https://www.philadelphiafed.org/consumer-finance/mortgage-markets/why-are-residential-property-tax-rates-regressive
[27]See, for example: https://www.mainepublic.org/politics/2018-09-20/maine-towns-unite-to-push-for-more-school-funding-for-minimum-receiver-districts https://www.nytimes.com/2023/02/03/us/maine-population-housing.html https://www.washingtonpost.com/business/2022/03/23/demand-vacation-homes-continues-rise/ https://www.newscentermaine.com/article/life/maine-ranked-1-state-for-vacation-homes/97-0a6c01d6-49ea-4c4a-88be-e8c3a41390e1 https://www.mdislander.com/news/school-funding-woes-discussed/article_5f7dfb40-3d3a-5e2d-a878-8f017b1fcccc.html
[28] See: https://www.mainepublic.org/maine/2023-02-27/spiking-home-prices-are-leading-to-school-budget-challenges-in-some-maine-communities

Alternative Methods to Include Income in Determining Ability to Pay

Analysts and policymakers have also recommended other ways to incorporate income into the school funding formula to address local fiscal capacity constraints. One approach would be to cap the local required contribution at a specified percentage of resident personal income.[29] I Another would be using an income-based mechanism outside of EPS to determine town or district eligibility for targeted state subsidy. This kind of supplemental funding strategy would provide additional state subsidy to school districts where the average income is below the state average.[30] It would address student equity by increasing resources in lower income communities, above and beyond the existing student weight for economically disadvantaged pupils. This approach may, however, fall short in addressing taxpayer equity because it does not lower the EPS cost model allocation or the local required contribution.[31] Consideration is needed of how different approaches may work together to amplify positive effects, or work against each other and decrease desired effects.

Consideration of Property Valuation as the Sole Measure of Ability to Pay

Finally, some analysts and policymakers argue that property value alone is the most appropriate measure of ability to pay because property tax is the primary source of revenue at the local level, and that affordability issues can be more effectively addressed through tax relief programs.[32] Property tax is also a vehicle to generate revenue from non-resident vacation property owners who do not pay income tax or most types of fees. Tax relief can then be targeted specifically at lower-income households and small businesses through income tax policy, while permitting towns to collect revenue on all taxable property. Maine provides several state-funded tax relief programs, including the Homestead Exemption, Property Tax Fairness Credit, and

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[29] Silvernail, David L. and Sloan, James E., "An Analysis of the Impacts of Including Income in Determining Community Wealth in the Maine K-12 School Funding Formula" (2010). *State of Education*. 17. https://digitalcommons.usm.maine.edu/cepare_state/17

[30] An Act to Better Support the Educational Attainment of Low and Moderate-income Communities by Providing Additional Funding to Certain School Administrative Units. Initiative: Provides ongoing funds for grants to school administrative units in which the average personal income of the member municipalities is below the state average to improve educational opportunities for and achievement of students in low and moderate income communities. http://www.mainelegislature.org/legis/bills/display_ps.asp?ld=889&PID=1456&snum=131

[31] Note: The EPS model applies an additional weight of 0.20 for low-income students in each district (i.e., each eligible student is counted as 1.20 students). Because the weighted counts adjust upward the number of students to be funded and thus the district's EPS allocation, this approach increases both the local required contribution and the state subsidy. Using income to target additional state subsidies to districts with higher poverty rates– rather than using weighted counts of poor students – enhances student equity at least without adding to the local required contribution and possibly further burdening low-income taxpayers.

[32] Dow, Patrick M. and Ralph Townsend. "Reforming Maine's Education Funding Process." *Maine Policy Review, Volume 7,* Issue 1 (1998) https://digitalcommons.library.umaine.edu/mpr/vol7/iss1/2

Property Tax Deferral Program;[33] some of these are targeted to lower income payers, as described in more detail in section E below. Other analysts, including Brennan and Delogu (2000), argue that the two issues – tax relief and distribution of state aid for education – should be addressed separately.[34] In other words, the EPS model itself needs to meet its intended goal of distributing state assistance for education equitably; it should not rely on tax relief.

C. Analyzing Property Valuation as a Measure of Ability to Pay within EPS

In this section we address the question of whether property valuation is a valid measure of local ability to pay by analyzing the strength of the relationship between household income, property value, and the distribution of state subsidy to towns. To investigate how this might be playing out on the taxpayer level, we specifically examine the relationship between median household income and our estimate of the typical homeowner's EPS education tax bill—the median home sale price multiplied by the town's actual mil rate.

We used town-level data on home values and household income obtained from the Maine State Housing Authority (MSHA). The MSHA obtains their data from Claritas, a private data firm that combines data from the Census Bureau's American Community Survey with other data using proprietary methods. Data were available for about 70% of Maine towns with public school students. Student enrollment, property valuation, local expected mil rates, local required share and state subsidy were obtained from the Maine Department of Education.

We examined the strength of the relationship between the town's median household income and its total per capita property valuation as well as its median home values. Multiplying the town's median home value by its local mil rate expectation, we estimated the EPS education tax expectation for a typical household. We then compared this amount to the town's median household income to identify towns where the estimated education tax bill is high compared to median income. As a reliability check, we replicated the analysis using data on a larger sample of Maine towns obtained directly from the Census Bureau's American Community Survey, which enabled the identification of towns with above-average margins of error for the income and home value measures. We summarize the results of these analyses below.

It must be noted that most towns raise above the EPS expectation. The actual education tax burden on households is based on approved budgets and therefore is typically higher than the estimated EPS education tax expectation we calculated for this analysis. To remind readers that the estimated education tax bill refers only to the amount determined by the EPS mil rate

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[33] See: Property Tax Relief Programs https://www.maine.gov/revenue/taxes/tax-relief-credits-programs/property-tax-relief-programs

[34]Brennan and Delogu (2000). The Argument for: Retaining Income as One of Two Factors in Maine's School Aid Funding Formula. *Maine Policy Review*, Volume 9, Issue 1, page 79, point 8. https://digitalcommons.library.umaine.edu/mpr/vol9/iss1/10/

expectation, we will refer to our amount as the EPS education tax bill estimate. It should also be noted that the actual property tax includes local services in addition to school funding.

Findings

There is a significant positive correlation (0.710) between median income and our estimate of the typical household's EPS cost burden in each town. This means that overall, the State tends to cover more of the education costs in towns with lower median incomes. However, in approximately 5% to 10% of Maine towns, median household income and median EPS tax bill are not well-aligned.

Table 4 below summarizes the local cost of education by town income level. Household income data from the MSHA were used to categorize towns by income level. Municipalities with median incomes within 1 standard deviation of the mean are categorized as average income. Low-income towns and high-income towns are those with median incomes more than 1 standard below or above the mean, respectively. Table 4 shows that higher income municipalities were required to cover more of their education bill than lower income towns, as is the intent of EPS. On average, the state subsidy covers 49% of the EPS allocation for towns with lower median incomes compared to 31% of those with higher median incomes. This is because higher median income towns also tend to have more total property value and therefore greater local required contributions toward EPS.

The Sample used for Table 4 below includes 355 municipalities with public school students for which we were able to obtain data from the Maine State Housing Authority (MSHA). Those 355 towns comprise 74% of all Maine towns with public school students in FY2020 (n=480). They are similar to the full sample of towns in terms of local and state shares, both as a percentage of the total EPS allocation and per pupil and per household, and local mil rates. The state mil rate expectation in FY2020 was 8.28.

Table 2.4: Town Characteristics, by Median Income level [Average (median), Range]

	Lower median income (n=53)	Average median income (n=263)	Higher median income (n=52)
Student count	362 (133) 5-5,549	414 (202) 3-6,675	779 (536) 18-2,938
Household count	1,178 (492) 48-15,221	1,457 (770) 80-31,919	2,236 (1,587) 68-8,227
Total property valuation, SY2020	$190.6M ($8.15M) $17.5M-$2,222.5M	$372.9M ($212.5M) $27.6M-$8,515.8M	$910.5M ($622.7M) $39.5M-$4,094.3M
Total Property Valuation, per Household	$185,099 ($154,462) $69,813-$519,214	$308,545 ($221,455) $68,388-$2,698,056	$473,149 ($330,522) $120,013-$2,621,735
% of EPS allocation covered by local required share, after adjustments	51.1% (39.1%) 15%-100%	58.9% (54.0%) 17%-100%	68.5% (70.3%) 31%-100%
% of EPS allocation covered by state subsidy, after Sec 5 adjustments	48.9% (60.9%) 0-85%	41.1% (46.0%) 0-83%	31.5% (29.7%) 0-69%
Local required share, per household	$1,431 ($1,256) $477-$3,083	$1,841 ($1,740) $275-$4,312	$2,399 ($2,262) $933-$4,249
State subsidy, per household	$1,753 ($1,922) $0-3,933	$1,587 ($1,579) $0-$4,902	$1,372 ($1,055) $0-$3,719
Local actual mil rate	7.56 (8.28) 0.39-8.28	7.34 (8.28) 0.42-8.28	6.87 (8.28) 0.43-8.28
Median Household Income	$38,205 ($39,196) $29,995-$42,385	$55,539 ($55,658) $42,523-$70,916	$82,212 ($78,137) $71,318-$127,847
Median Home value	$119,614 ($114,667) $43,000-$223,283	$205,825 ($190,250) $67,333-$475,500	$345,419 ($308,192) $207,500-$681,708
Estimate of homeowner EPS tax (local mil*median home value)	$893 ($911) $41-$1,849	$1,424 ($1,411) $133-$2,880	$2,206 ($2,158) $240-$4,700

Note: 13 towns are each a member of two districts for different grade levels. They are in the MDOE dataset twice, each with their share of the town's property value, students, etc. They are treated as separate towns in this analysis even though the income and home value measures will not differ. The results do not measurably change with these towns counted twice.

Notably, there is a weak positive correlation between equalized total town property value as determined by MRS and town median household income (r=0.363, p<0.001). It is even weaker on a valuation-per-household basis (r=0.196, p<0.001). This finding reflects, at least in part, the fact that the state's property valuation includes both residential and commercial taxable real estate (including property owned by out-of-state residents), while our income measure is household level and drawn from a residential sample. It likely also reflects housing market dynamics and property tax and assessment regressivity. There is also a weak negative correlation between median income and local mil rate (r =-0.188, p < 0.001).

As noted above, we found a strong positive correlation (r=0.710, p<0.001) between median household income and our estimate of the typical homeowner's EPS tax bill, which we calculated by multiplying the median home value by the town's actual mil rate expectation. This finding suggests that the EPS formula may be measuring local ability to pay accurately in most cases. Note, however, that the relationship between median household income and estimated homeowner EPS tax bill is driven primarily by the strong and positive correlation between median income and median home value (r=0.737, p<0.001). This reflects the fact that higher income households typically buy higher priced homes. If we had been able to look specifically at data for homeowners who purchased their property many years ago, we may have found less of a correlation between property value and income, especially in towns with fast-rising home values.[35]

Importantly, the correlation noted above between town median household income and estimated homeowner EPS education tax bill is strong, but it is not perfect. Regression analysis indicates that median household income predicts only about half the variation in estimated homeowner EPS education costs. As can be seen in Figure 2.4 below, there are towns with lower median incomes that have estimated household EPS tax bills as high, or higher, than some higher income towns. There are also some higher income towns with relatively low estimated homeowner EPS tax bills.

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[35] The correlation between income and our estimate of the EPS education tax bill for the typical homeowner is strongest among towns with the highest incomes (those with incomes more than 1 standard deviation above the mean). This could indicate lower-income homeowners may feel weighted with relatively high property tax bills because their income is low relative to the value of their homes.

Figure 2.4: Scatterplot of Estimated EPS Tax Bill and Median Income in Maine Towns
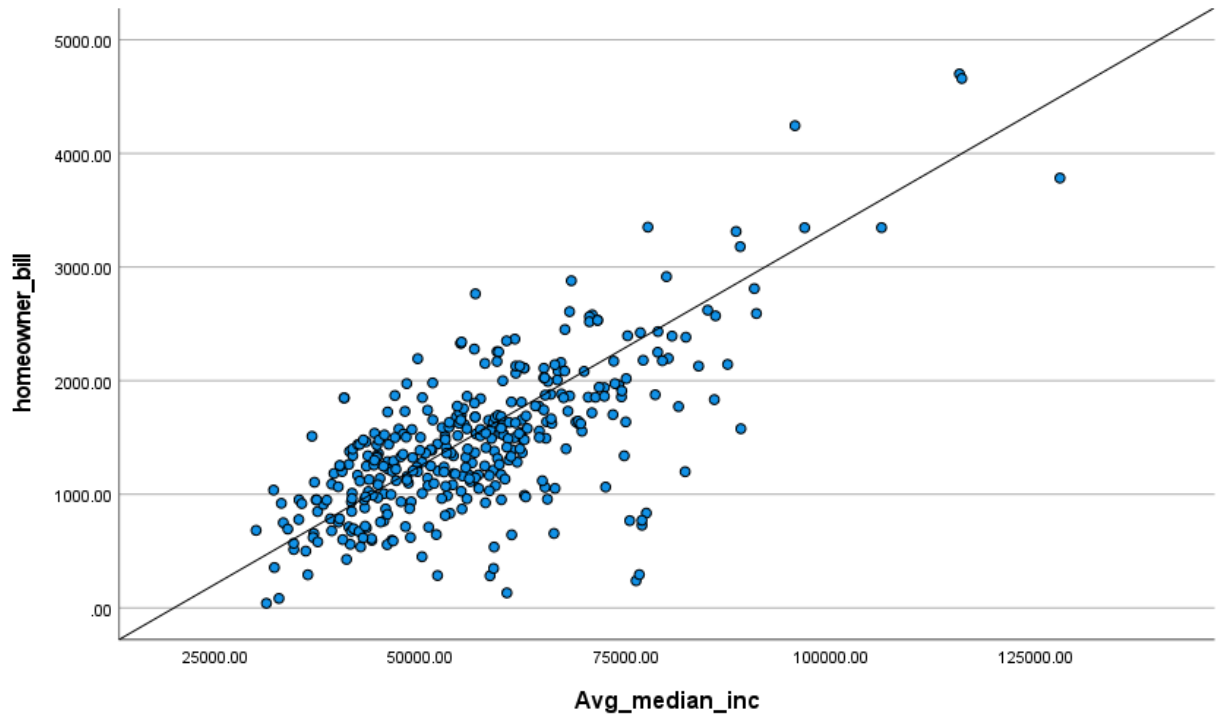
In the sample of 355 towns there were no lower income towns (those with median incomes more than one standard deviation below the mean) in the highest EPS tax bill category ($2,119 or higher), but there were 19 towns (5% of our sample) with average median incomes ($42,523-$70,916) that had high estimated homeowner EPS tax bills (1 standard deviation above the mean, or above $2,119). All 19 towns had higher estimated homeowner EPS tax bills because they had higher median home values compared to other towns. In 15 of these 19 towns, the estimated EPS tax bill was higher than $2,158, the median bill paid in towns with high median incomes. Only 7 of the 19 were high-valuation towns that paid less than the statewide mil rate expectation—i.e. minimum contributors; 12 of the 19 paid that year's full 8.28 statewide expected mil rate. At the other end of the spectrum, there were 52 towns with low EPS tax bills (more than 1 std deviation below the mean, less than $797). Among those, 24 are towns with low median incomes ($29,996-$41,862), 24 had average median incomes ($42,523-$66,253) and 4 had incomes that placed them in the "high" category ($75,476-$76,968). The data for all towns is included in Appendix B.

Another way to examine the relationship between the estimated homeowner education tax bill and income is to calculate what percentage of the median income is taken up by the estimated EPS tax bill. On average, across the 355 towns in our sample, the EPS tax bill is 2.5% of the median household income, with a range of 0.13% to 4.88% and a standard deviation of 0.79.

Figure 2.5: Statewide Property Valuation, FY2013 to FY2023
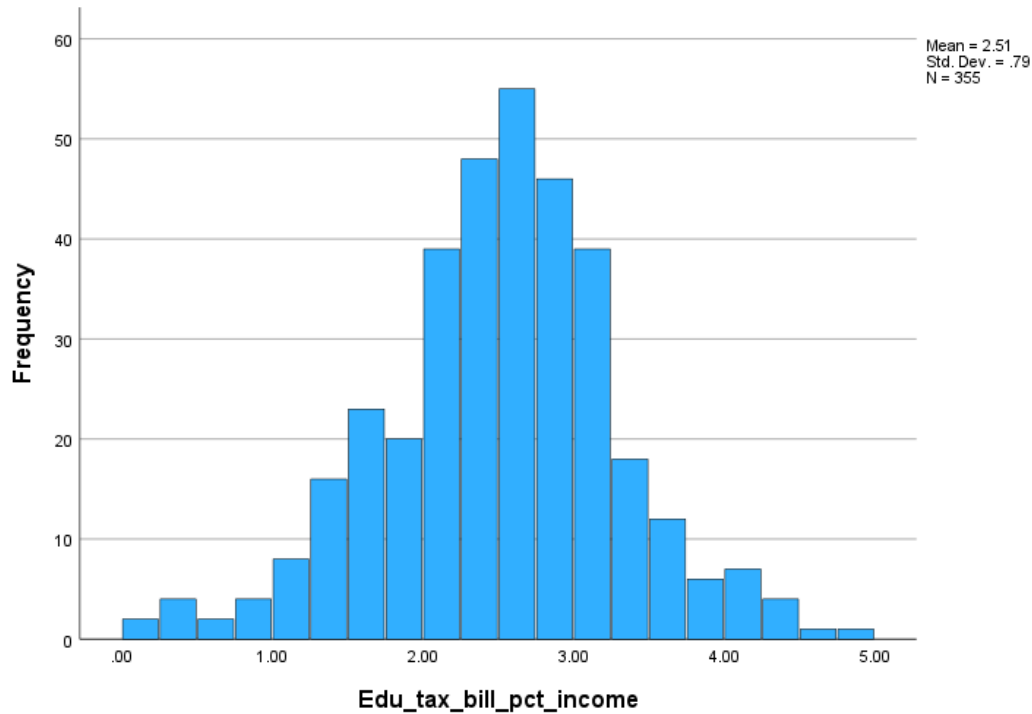
Using 1 standard deviation from the mean to create categories, 252 (71%) of the 355 towns have estimated EPS tax bills, as a percentage of their income, within the average range (1.72% to 3.30%). However, 46 towns (13%) have estimated EPS tax bills that make up a relatively high percentage of the town's median household income (1 standard deviation above the mean, greater than 3.30%). Of those 46 towns, five have low median incomes (between $29,995 and $42,385) and 32 have median incomes within the average range (between $42,523-$70,916).

These findings, combined with those in the preceding paragraph, where we shared that 15 of the 19 average median-income towns had estimated education tax bills that are *higher* than the median bill paid in towns with high median incomes, indicate that at least some portion of average-income homeowner property taxpayers are paying a higher percentage of their income toward local EPS education costs than homeowners in towns with higher median incomes.

As a reliability check, we used data obtained directly from the Census Bureau's American Community Survey to replicate the analysis with a larger sample of Maine towns. Because many of the towns in Maine are small, we used the ACS 5-year estimates.[36] An advantage of obtaining

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[36] Note: the small size of many of Maine's towns present limitations. The U.S. Census Bureau's American Community Survey (ACS) provides annual income data for geographic areas with at least 65,000 residents. For smaller areas, the Bureau combines 5 consecutive years of ACS data to produce income estimates. Because of the

data directly from the ACS is that we also were able to retrieve Census estimates of the marginal errors (MOEs), which represent the degree of uncertainty for an estimate resulting from sampling variability. We replicated the analysis using both the full sample from the Census ACS (n=440) and then a second time excluding towns with above average margins of error on the median home value and median household income estimates (n=189). Additional analysis excluding even more towns using even more strict cut-offs for the size of MOEs was also conducted. The rates of divergence between median household income and our estimate of the EPS tax bill were the same or close to those found using the MSHA/Claritas data. (i.e., in 5-10% of towns, the EPS tax bill estimate outpaces median household income).

Change Over Time in Local Property Valuations Used to Determine Local Ability to Pay.

Almost all the towns identified in the analysis described above as possibly facing difficulties meeting their local EPS expectation had higher median home values compared to other towns. In these towns median household incomes have not kept pace with rising home values.

As described above, one of the arguments made by the Committee to Study Organizational and Tax Issues in Public Schools was that both income and property wealth should be used to determine local ability to pay to minimize the impact of abrupt changes in either of the two factors. And Maine Revenue Service has indicated that overall home values are rising faster than commercial property values (see Appendix C).

For the state as a whole, total property value increased by 47% from 2013 to 2023, from $155,840,250,000 to $229,204,350,000. As can be seen in Figure 6 below, the statewide property valuation increased faster than the rate of inflation, particularly after 2019. The CPI inflation index increased 30% during this same ten-year period.

small sample sizes, there will likely be more sampling error and thus higher margins of error (a measure of precision of an estimate) even for the 5-year estimates for the small sized towns that make up most Maine towns.

Figure 2.6: Statewide Property Valuation, FY2013 to FY2023

Statewide property valuation, FY2013 to FY2023 ($billions)

As described above, each town with resident pK-12 students is expected to assess the same, fixed mil rate to its taxable property to raise funds for public education. The total equalized property valuation in each town is determined by the Maine Revenue Service (MRS)[37]. We examined the change in MRS-generated property valuations for Maine towns for the 10-year period between 2013 and 2023, using total property valuation figures publicly available on the MDOE website. Figure 7 shows the percentage change in valuation in the 478 towns included in our analysis.[38]

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[37] See: https://www.maine.gov/doe/funding/gpa/eps/msmv
[38] The sample of towns used in the analysis excluded 6 towns with increases in property valuations above 163% (these were outliers, with percentage increases more than 3 times the standard deviation above the average percentage change of 41%) and the town of Jay, whose property valuation dropped by 60% due to the closure of a large mill.

Figure 2.7: Change in Property Valuations Among Maine Towns, FY2013 to FY2023, Outliers Excluded
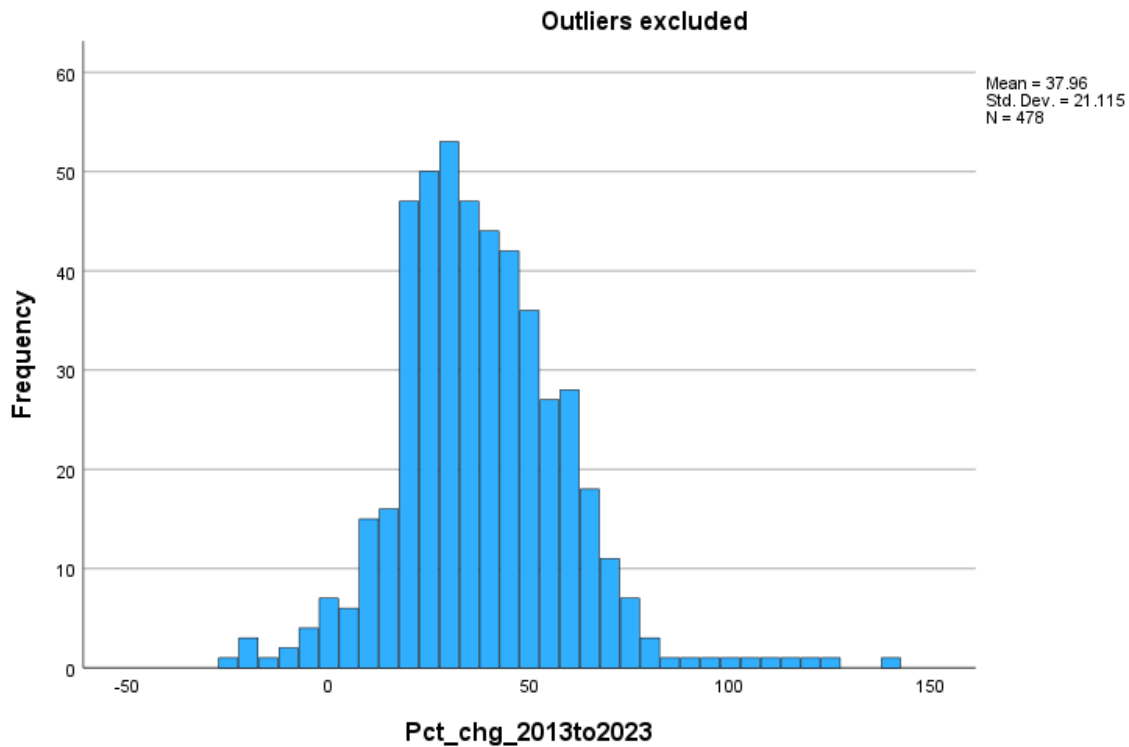
At the town level, the average percentage change in property value was 38%, with a median change of 36%. Towns ranged from a decline of 25% to an increase of 140% in value, as shown in Table 2.5.

Table 2.5: Property Valuation, Percent Change from FY2013 to FY2023, by Town

Change	% (# of towns)	Median % change	Range of % change
Decrease	3% (16)	- 6%	-25% to -1%
Small increase	10% (48)	13%	1% to 18%
Average increase	72% (345)	36%	19% to 58%
Large increase	14% (69)	66%	59% to 140%

Notes: The sample (n=478) excludes 7 towns with atypical or outlier changes in property valuations. Based on the CPI inflation index, the cumulative inflation during this ten-year period was 30%.

Only 3% of Maine towns (n=16) saw a decrease in their property valuations between 2013 and 2023. Another 10% (n=48) saw increases, but they were relatively small (between 1% and 18% increase. Or less than1 standard deviation below the mean change). The majority of towns (72%, n=345) had property valuation increases between 2013 and 2023 that were average

(within 1 standard deviation of the average of 38%, which includes those with increases between 19% and 58%). The remaining 14% (n=69 towns) had increases that were large (greater than 1 standard deviation above the mean, or 59% or more). As noted above, the total statewide valuation increased 47% during this period and the CPI inflation index increased 30%. In Table 2.6 below we describe the town median income patterns in each of these four levels of property value change between 2013 and 2023.

Table 2.6 Difference in Town Medan Income by Level of Property Value Change, FY2013 to FY2023[39]

Property valuation change, 2013 to 2023	Population, median (range)	Median income (range)	% low median income (number)	% avg median income (number)	% high median income (number)
Decrease	255 (53-4,726)	$41,057 (21,802-87,922)	20% (3)	73% (11)	7% (1)
Small increase	530 (44-8,797)	$36,667 (23,766-55,420)	24% (11)	76% (34)	0
Average increase	1,225 (29-37,121)	$43,041 (22,223-90,776)	9% (29)	83% (276)	9% (29)
Large increase	3,073 (58-68,408)	$52,806 (28,040-110,681)	9% (6)	52% (36)	39% (27)
All towns	1,231 (29-68,408)	$43,055 (21,802-110,681)	11% (49)	77% (357)	12% (57)

Notes: The full sample of towns obtained from the MDOE (n=478) excludes 7 towns with extreme changes in property valuations. The median income data are for FY2022 and were obtained from the Maine Revenue Service. Income data were available for 463 of the sample of 478 towns, and measures the median income for taxpayers, with or without dependents. The population data come from the US Census and are for the year 2020.

Towns that saw relatively large increases in property valuation compared to other towns (and thus were expected to raise increased funds through the statewide mil rate expectation) tended to be wealthier, though not always; there is a wide range of income at all levels of property valuation change. The correlation between the percent change in property value and median income is positive and statistically significant, but weak (r=0.366, p<0.001).

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[39] The median income data are for FY2022 and were obtained from the Maine Revenue Service. Income data were available for 463 of the sample of 478 towns and measure the median income for taxpayers, with or without dependents. The population data come from the US Census and are for the year 2020.

Among the 69 towns that saw large percentage increases in their property valuations between 2013 and 2023, 6 were low-income towns (median incomes less $32,510), and 36 were average income towns (incomes between $33,335 and $56,598). These 42 towns comprise 9% of all Maine towns. Among the 60 towns that saw a decline or only a relatively small increase in property valuations (and for which we were able to obtain income data from MRS), 14 had low median income, 45 had average median incomes, and one town was high median income. For information on all towns in Maine see Appendix B.

D. Incorporating Income into the EPS Measure of Ability to Pay

The analysis detailed above showed that property value and income do sometimes diverge and that, in up to 10% of Maine towns, the estimated EPS tax bill is higher than average, while median household incomes are average. In these towns, the median income has not kept pace with Maine's rising home values. Given this discrepancy between income and property wealth in a notable percent of Maine's towns, adding some measure of income-based ability to pay to the EPS model could enhance the equitability of the distribution of state subsidy at the town level.

If an income-based measure is to be incorporated into the EPS funding formula, there are two main challenges that must be overcome: First, choosing a valid measure of income (and finding a reliable source of that data), and second, determining how to incorporate income into the model so that unintended effects are minimized and low-wealth communities are selectively targeted to receive larger state subsidies.

Following the recommendation made by the 1995 Committee to Study Organizational and Tax Issues in Public Schools, Maine added income as a second factor in determining local required contribution beginning in 1996. The two factors were incorporated into the funding formula using an additive model: income and property valuation indices were added together with the property value index weighted by 85% and the income index weighted by 15%. Income was removed from the funding formula after a few years because the new formula resulted in an increase in state subsidy to high-income/high-property-wealth communities while some lower-income/low-property-wealth districts received less.[40]

Analysis conducted by Silvernail and Sloan in 2010 showed *how* income is incorporated into the funding formula matters.[41] They tested three formulations: two additive models and one that used income as a multiplier to property value. All models weighted property value 85% and

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[40] Griffith, Picus, Odden, and Aportela (2013). Policies that Address the Needs of High Property-Wealth School Districts with Low-Income Households, August 1, 2013. Lawrence O. Picus and Associates. Available here https://picusodden.com/state-studies/

[41] Silvernail, David L. and Sloan, James E., "An Analysis of the Impacts of Including Income in Determining Community Wealth in the Maine K-12 School Funding Formula" (2010). *State of Education*. 17. https://digitalcommons.usm.maine.edu/cepare_state/17

income 15%. They simulated the impact of each formula on how the EPS model distributed state subsidy to Maine's SAUs.[42] The additive formula resulted in a higher rate of lower-income SAUs with state subsidy loss and an increased number of higher-income SAUs with subsidy gains. When income was used as a multiplier to property valuation, none of the lower income districts lost state subsidy and all of the lower income/lower property valuation SAUs and 73% of the lower income/high property valuation districts gained state subsidy. Some high-income SAUs also gained subsidy using the multiplicative formula, but the gains were smaller than what occurred with the additive formulations.[43]

Choosing the Best Measures of Income

In addition to determining the best way to incorporate income into the model so that low-wealth communities are selectively targeted and unintended effects are minimized, there is the challenge of choosing a valid measure of income and a reliable source of data. Income-based measures used in education funding models include personal or household income, poverty rates or the percentage of students living in economically disadvantaged families.

Data Sources

There are essentially two sources of income data that could be used to produce town-level income measures: survey data from the U.S. Census and income tax data from state revenue services. Private firms such as CLARITAS combine Census and income tax data as well as income data from other government agencies and proprietary forecasting methods to produce town-level income estimates.[44]

U.S. Census Bureau. The U.S. Census Bureau's American Community Survey (ACS) provides annual income data for geographic areas with at least 65,000 residents. For smaller areas, the Bureau combines 5 consecutive years of ACS data to produce income estimates. Because of the small sample sizes, there will likely be more sampling error and thus higher margins of error (a measure of precision of an estimate) even for the 5-year estimates for the small sized towns that make up most Maine towns. In fact, the Census recommends being particularly careful when using cases where the MOE is more than 10% of the estimate (MOE/estimate*100). In our sample of Maine of 440 towns used above only 47 had household median income variables with MOEs that are less than 10% of the estimate.

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[42] They used base subsidy, without minimum contributor adjustments.
[43] For a straightforward explanation of the impact of using income as an additive factor vs as a multiplier to property value, see pages 7-9 in Griffith, Picus, Odden, and Aportela (2013). Policies that Address the Needs of High Property-Wealth School Districts with Low-Income Households, August 1, 2013. Lawrence O. Picus and Associates. Available here https://picusodden.com/state-studies/
[44] Claritas Demographic Update 2023: Methodology. August 2022. https://claritas.com/

Another limitation of the Census Bureau's ACS data relates to the fact that the 5-year estimates are less current. For Maine towns undergoing minimal population, housing value and income changes the 5-year income estimate would be reliable but for towns experiencing significant change within 5 years, these estimates may be less accurate. Additionally, because the ACS collects data throughout the calendar year and counts survey respondents as residents if they live at the current residence for as little as 2 months, the income data for towns with large seasonal populations (college towns or summer resort areas) may not be accurate. For example, the median income may be lower if lots of college students are included in the sample and higher if lots of vacationing renters and "summer people" are included.[45]

Survey data also suffer from recall bias, misreporting income and non-response. Although surveys conducted by the federal government tend to achieve higher participation rates compared to other surveys, item non-response and misreporting may still be problems. Researchers studying the reliability of Census income data have determined that underreporting bias seems to affect wage and salary income source reports only very modestly while reports of transfer income sources and amounts and asset income suffer more from misreporting and bias.[46] Other research indicates that high wealth households are less likely to participate in surveys. Even in the absence of non-response problems, household survey data may produce biased estimates of top income shares if their sampling frame does not allow for adequate sampling of higher-income households.[47] This is likely more of a problem in smaller sized towns common in Maine, where the nonparticipation of even a small number of wealthy households could skew the median income estimate downward.

Income Tax Data. The Committee to Study Organizational and Tax Issues in Public Schools sought to address the data issue back in 1995 by calling for the Legislature to task the Maine Revenue Service with certifying a median income measure for all municipalities annually using data from income tax forms and sharing the data electronically with MDOE for use in the funding formula.[48]

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[45] Understanding and Using American Community Survey Data: What Users of Data for Rural Areas Need to Know. United States Census Bureau, October 2020. https://www.census.gov/programs-surveys/acs/library/handbooks/rural.html

[46] Moore et al.(1997) Income Measurement Error in Surveys: A Review. Statistical Research Division, U.S. Bureau of the Census, Washington, DC. https://www.census.gov/library/working-papers/1997/adrm/sm97-05.html

[47] Korinek at al. Survey nonresponse and the distribution of income. *Journal of Economic Inequality* (2006) 4: 33–55; Yonzan et al. (2021). Mind the gap: Disparities in measured income between survey and tax data. Center for Economic Policy Research. https://cepr.org/voxeu/columns/mind-gap-disparities-measured-income-between-survey-and-tax-data

[48] In the meantime, while data sharing logistics between the MDOE and the MRS were figured out, the Committee recommended that a data firm such as CLARITAS be contracted with to obtain timely household income data at the town level with data for small towns for which CLARITAS won't have reliable data obtained with assistance from appropriate state agencies and departments. See: KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY, Final Report of the Committee to Study Organizational and Tax Issues in Public Schools, (1995), page 29. https://lldc.mainelegislature.org/Open/Rpts/kf4137_z99m224_1995.pdf

While income tax data do suffer from tax exemptions and tax evasion and avoidance, they are more up-to-date and avoid the sampling error issues that come with survey data. They also do not suffer from recall bias, item non-response and household non-response. A limitation of tax data is that they don't include government transfer payments (e.g., Social Security and public assistance) and non-taxable employer-provided benefits such as health insurance and disability insurance.

A potentially more serious limitation of income tax data is that they will not capture people with earnings so low they are not required to file a tax return.[49] As a result, the income measure will be inflated for towns with a higher proportion of residents working intermittently, seasonally or part-time. Income tax data will also not capture non-residential property taxpayers. In some Maine towns, particularly towns with high property valuations, a significant portion of property tax revenue comes from commercial, recreational and out-of-state property owners.[50] Dow and Townsend cautioned that using personal income tax data from the MRS to develop an income measure for the funding formula could have unintended consequences: "*If a high-valuation town is able to lower its property tax rate when income is added to the funding formula, much of the tax savings goes to commercial, industrial and recreational taxpayers.*"[51] This problem is, of course, mitigated at least somewhat by using both property valuation and income in the EPS formula. If the proportion of property wealth comprising commercial and out-of-state property owners is high, weighting property wealth more heavily than income might make sense. We note that this is an issue when using any income-based measures.

Measures of Income

In addition to a reliable source of income data, policymakers must decide which measure of income to use.

Median household income. For example, median household income is commonly used, but without adjusting for household size, use of this variable could lead to unintended consequences. Towns with many single-person households may appear poorer than they might actually be because single-adult households tend to have lower household income but higher per-capita income than families. Cities tend to have more single adult households than suburbs and rural towns, meaning a lower median household income in an urban area may not reflect a lower ability to pay education costs compared to suburban and rural areas.

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[49] Even if you are required to file a federal income tax return, you do not have to file a Maine income tax return if you have no income addition modifications (Form 1040ME, Schedule 1A, line 12) and your income subject to Maine income tax is less than the sum of your Maine standard deduction amount plus your personal exemption amount. See https://www.maine.gov/revenue/sites/maine.gov.revenue/files/inline-files/24_1040me_book_gen_instr.pdf

[50] Mills, Peter (1999). Maine's Dubious Odyssey into the Funding of Local Government. *Maine Policy Review*, Volume 8, Issue 2 https://digitalcommons.library.umaine.edu/mpr/vol8/iss2/5/

[51] Dow, Patrick M. and Ralph Townsend. "Reforming Maine's Education Funding Process." *Maine Policy Review, Volume 7,* Issue 1 (1998) https://digitalcommons.library.umaine.edu/mpr/vol7/iss1/2

For example, according to 2022 Census data, there was little difference in median household incomes in Portland ($66,109) and Sanford ($65,671) but because household size was smaller in Portland (2.12 persons per household) than in Sanford (2.38), Portland's per capita income was significantly higher than Sanford's, $42,960 and $32,648, respectively. Gorham, which has more families and fewer single-adult households (2.73 persons per household) had a high median household income ($90,446) but a per capita income below Portland's ($40,200).[52]

Another concern regarding the inclusion of income in Maine's funding formula relates to whether the income measure should or even could be adjusted for local buying power. Because of differences across the state in housing and other costs (food, heating fuel, etc.) the median income earner may be able to purchase more in a town with lower rents and other costs compared to say, Portland where rents and home prices are among the highest. For example, according to 2020 data obtained from the Maine Housing Authority, the median income among renters was about the same for Portland ($45,343) and Lisbon ($45,435) while median rents were significantly higher in Portland ($1,880 vs $1,288). Similarly, the difference in median household incomes between the two municipalities was relatively small ($70,071 vs $68,168) while the difference in median home sale prices was large ($489,000 vs $282,500).[53]

However, full cost-of-living measures are not readily available at the local level and can be difficult to reliably collect, especially for smaller towns. Housing is one of the biggest cost-of-living drivers and until recently, the Maine Housing Authority provided rent and rental affordability measures for many Maine towns (they used to get their data from CLARATIS but according to the MHA website, the data form has stopped providing these data and MHA is currently developing an alternative source of rental data).[54]

Economic Disadvantaged Student Rates. Because of the challenges to finding reliable income data, some states use other measures in their funding formulas. For example, instead of income, the State of Rhode Island's school funding formula uses a combination of the percentage of economically disadvantaged students eligible for free and reduced priced meals (FRPL) and property value (each weighted 50%) to determine local fiscal capacity.[55]

A key benefit of using the economic disadvantage measure is that the data are required to be collected for other purposes including the fulfillment of federal program requirements related to funding and accountability, to allocate funds using the state's funding formula, and to conduct

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[52] https://www.census.gov/quickfacts/portlandcitymaine https://www.census.gov/quickfacts/sanfordcitymaine https://www.census.gov/quickfacts/gorhamtowncumberlandcountymaine

[53] See Maine Housing Data https://www.mainehousing.org/data-research/housing-data/affordability-indexes and https://www.mainehousing.org/data-research/housing-data/housing-affordability-indexes

[54] See Maine Housing Authority, Data and Research, Housing data https://www.mainehousing.org/data-research/housing-data

[55] See: Rhode Island's Funding Formula after Ten Years: Education Finance in the Ocean State, 2022 https://ripec.org/education-finance-2022/

research on achievement gaps and evaluate what types of programs and services are best at supporting economically disadvantaged students.

The reliability of these data is also boosted by the expanded use of direct certification, rather than relying only on parent competition of food program applications or economic status forms. Direct certification is conducted through computer matching of student enrollment lists against means-tested public assistance program records. Following the lead of other states, Maine has recently added Medicaid records to its direct certification process, a move that should further improve the quality of the economic disadvantaged measure. Previously Maine relied only on the Supplemental Nutrition Assistance Program, Temporary Assistance to Needy Families, Food Distribution Program on Indian Reservations, and Foster Care for direct certification of economically disadvantaged students. Maine updated its direct certification process starting in SY2025 by including MaineCare, the state's Medicaid program. While the impact has not yet been evaluated, the addition of MaineCare to direct certification should improve the accuracy of the measure because the participation rate among eligible poor families is higher for MaineCare than for SNAP and TANF and because of broader eligibility for MaineCare.[56] Additionally, direct certification will produce a more valid measure of economic disadvantage since children in families with incomes up to 300% of the federal poverty line are eligible while SNAP and TANF eligibility stops at 130% of the FPL.[57]

Benefits and Limits of Using Student Economic Disadvantage as the Measure of Income

The student economic disadvantage measure has several advantages over both income tax data and income data collected through surveys. First, because it is based on student eligibility for school nutrition programs and other public assistance programs, it adjusts household income for family size. The student economic disadvantaged measure has the added advantage of being timely (direct certification is conducted multiple times a year and the MDOE produces a new measure annually). Unlike the MRS income measure, the student economic disadvantaged measure will include students living in families with incomes below what is required to file a tax return. Additionally, unlike median household income, the student economic disadvantage rate gives a sense of the *proportion* of taxpayers in a town who may be struggling to pay their EPS tax bills. Finally, because it is not sample based like the Census income variable, it will be a more accurate measure for the many small towns in Maine.

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[56]Asylum seeker families and other refugee families generally become ineligible for SNAP and TANF once they receive their work authorization permit and are working. https://maineequaljustice.org/site/assets/files/4092/2405_benefits_for_asylum_seekers_waiting_for_work_permit_english.pdf. For a more detailed discussion on Maine's direct certification process, see "Measuring Student Poverty: Policy Constraints and Research Alternatives", available at https://www.maine.gov/doe/funding/gpa/eps/reports.
[57] For example, a family of 2 can make up to $62,000 and a family of 3 can make up to $78,000 and their children are still eligible for health insurance coverage through MaineCare. https://maineequaljustice.org/site/assets/files/4084/2401_mainecare_for_children_and_youth_flyer_cahc.pdf

The percentage of students who are economically disadvantaged is limited as a measure of town wealth in that it captures only those households with children. Low-income property taxpayers without dependent children will not be captured by this measure. Indeed, the correlation between the percentage of students who are economically disadvantaged and the town's median household income measure obtained from Maine Revenue Service for the tax year 2022 is only moderately strong and statistically significant but (r= - 0.667, p <0.001) with less than half of the variance between the two variables shared. The correlation between median income of taxpayers with dependents and student economic disadvantage rate is stronger but not still not perfect (r = - 0.789, p <0.001). This may, in part, reflect the fact that the median household income measure does not include taxpayers with earnings so low they are not required to file a tax return; this impact cannot be determined as there is scant data on the number of households in this group. The less-than-perfect overlap between the two measures might also reflect that fact that while the participation rate for MaineCare is high, not all eligible families participate.

The Census Bureau produces a child poverty measure for all U.S. school districts annually as part of its Small Area Income and Poverty Estimates (SAIPE) program. The child poverty estimates are produced by combining 1-year ACS survey data with state level income data from the IRS, state and county level SNAP administrative data and state and county population and poverty estimates. The SAIPE estimates of child poverty tend to be more precise than the 5-year ACS income estimates, meaning they might provide a more stable year-to-year measure even for districts with small populations.[58] However, because SAIPE poverty data are district level, they can't be used directly to determine town-level ability to pay for districts made up of multiple towns.

Finally, while the use of income or student economic disadvantage rate as a variable in the school funding formula presents several data challenges, it should be noted that no data are without limitations, including the property valuation data currently used in the EPS formula to determine local ability to pay. Real estate property valuation is a challenging task due to market fluctuations, infrequent reappraisals and other data limitations, complex property attributes and subjectivity regarding the value of those attributes[59]. Property valuations are harder to do in areas

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[58] See: U.S. Census Bureau's Small Area Income and Poverty Estimates (SAIPE) program https://www.census.gov/programs-surveys/saipe/about.html and https://www.census.gov/programs-surveys/saipe/about/faq.html#par_textimage_2

[59] The property valuation conducted by the Maine Revenue Services is a complex process that takes almost 2 years, during which the MRS collects information from local tax authorities. The valuation process begins with a sales ratio study which examines the assessed value of residential and certain commercial properties relative to their actual selling price. Because this process relies on actual sales data, it can be more of a challenge for smaller towns in rural areas. If a town doesn't have enough property sales to conduct a ratio study (a minimum of 12 sales is required by law) or the 12 sales are determined by the State tax assessor to not be representative of the types of property located in the town, the town is given a longer period for analysis. If it still doesn't reach a minimum of 12 sales, then appraisals are used instead of actual sales price data or in combination with sales data. Additional subjectivity may be introduced during meetings between the MRS and municipal officials, who are able to challenge

with limited transactions, a problem especially concerning in a rural state like Maine.[60] And, as noted above, there is national research showing that less expensive properties are over-valued more often than expensive properties,[61] which may also be true in Maine.

Based on the analysis described above showing the divergence between property valuation and incomes in some towns, an argument can be made to include both property value and a measure of income-based wealth to determine local ability to pay, or to distribute additional targeted state assistance to lower-income towns. To explore this idea, we investigated the possibility of using student economic disadvantage rates as an income measure combined with property value in determining EPS expected contribution, or local ability to pay. In the next section we discuss the anticipated results, based on modeling carried out by the Department of Education's School Finance team.

As noted previously, our estimate of the education tax burden is based on the local mil rate expectation for EPS; in many towns the education budget is more than the EPS estimated amount, and the actual property tax bill is higher. Specifically, unless commercial property taxpayers and out-of-state property owners offset the cost of education, a significant proportion of homeowners in lower-income towns may struggle to pay their education tax bill. While the struggle facing individual taxpayers can be alleviated using tax relief programs, lawmakers may still want to ensure that the EPS model itself isn't undermining its own goal of distributing state subsidy equitably.

To assist Maine policymakers, we conclude this section with the results of modeling the distribution of state subsidy if an income measure was incorporated into the EPS formula for determining local ability to pay. Expanding upon the earlier work by Silvernail and Sloan (2010) [62] – who used income data obtained from the Census to modify district-level property valuation - we use town-level student economic disadvantage rates to modify the local mil rate expectation. Policymakers will ultimately have to decide if having different mil rate expectations is equitable, but our rationale for testing this approach is based on the fact that even with the current EPS formula, mil rate expectations differ with about 22% paying lower mil rates (i.e., minimum contributors have mil rate expectations below the statewide rate).

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the state valuations. Individual property owners can also challenge municipal valuations. See, Maine Revenue Services, State Valuation https://www.maine.gov/revenue/taxes/property-tax/state-valuation

[60] See https://www.maine.gov/revenue/taxes/property-tax/assessor https://marketbusinessnews.com/the-challenges-and-limitations-of-real-estate-property-valuation/334716/ https://www.investopedia.com/articles/realestate/12/real-estate-valuation.asp https://www.investopedia.com/terms/a/assessor.asp

[61] Amornsiripanitch, N. Why Are Residential Property Tax Rates Regressive? Federal Reserve Bank of Philadelphia Supervision, Regulation, and Credit Department, January 2022. https://www.philadelphiafed.org/consumer-finance/mortgage-markets/why-are-residential-property-tax-rates-regressive

[62] Silvernail, David L. and Sloan, James E., "An Analysis of the Impacts of Including Income in Determining Community Wealth in the Maine K-12 School Funding Formula" (2010). *State of Education*. 17. https://digitalcommons.usm.maine.edu/cepare_state/17

We obtained from MDOE the EPS calculations including allocation, local mil rate expectation, local required share, state subsidy, before and after adjustments and economic disadvantage rates for 487 towns for the FY2026 (Note: there are eleven towns that are in the data twice because their students are split between two districts by grade level; since they have their own allocation, mil rate, etc. they are treated like separate towns; it does not matter to the results if they are included once or twice).

Recall from above that the EPS formula determines each town's local expected ability to pay by multiplying its total property value by the statewide mil rate expectation. Because no town is expected to pay more than its allocation (or, for towns in multi-town districts, its share of the district's EPS allocation) each town's local required contribution is either this amount (state mil rate expectation*property valuation/1,000) or the EPS allocation, whichever is lower.

We modified the mil rate expectation to be applied to the town's property valuation using an economic disadvantage index. First, an **economic disadvantage index** (the town's economic disadvantage rate divided by the statewide economic disadvantage rate) was applied to the statewide mil to get an **indexed mil rate**. Second, we took the average of this indexed mil rate and the statewide mil rate – which in FY2026 was 6.10 - to get a **modified mil rate**. The modified mil rate was then multiplied by the town's property valuation to recalculate the local required contribution and the state share. Based on this modified local required amount, we then recalculated each town's mil rate (the amount needed to generate the new, modified required local share). These modified amounts were then compared to the town's actual local required contribution, mil rate expectation and state subsidy amounts. Note: all comparisons were made using the base local and state shares before adjustments (Section 5A).[63]

We tested two models: (1) a 50/50 model where the modified mil rate and the actual statewide mil rate are averaged with each weighted by 50% and (2) a 95/5 model where actual statewide mil is weighted by 95% and the modified mil is weighted by 5%.[64]

Results

If the student economic disadvantaged rate was to be used to modify the local mil rate expectation, 24% of towns would lose some state subsidy, 20% of towns would see no change,

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[63] Because we modeled changes only to the base state and local shares, we did not account for Section 5 adjustments for minimum contributors, which could change the total cost of education and therefore the mil rate. If policymakers decide this is a potentially feasible upgrade to the EPS formula, the Finance team at the MDOE will be tasked with running the modifications through the whole EPS formula in order to investigate the impact on the total cost of education and thus the statewide mil rate.

[64] The math: the **economic disadvantage index** = (1-town economic disadvantage rate)/(1-statewide economic disadvantaged rate). The **indexed mil rate** = economic disadvantage index*statewide mil. In FY2026 the statewide mil rate was 6.10 and the statewide economic disadvantaged rate was 45%. The **modified mil rate** = the average of the indexed mil rate and the actual statewide mil rate. The 50/50 model = (0.50*6.10)+(1-0.50)*modified mil. The 95/5 model = (0.95*6.10)+(1-0.05)*modified mil.

and 56% would gain state subsidy. The "winners" are more likely to be towns with high rates of economic student disadvantage. In fact, none of the towns with low rates of student disadvantage gain state subsidy under with the 50/50 or the 95/5 model.

Of the towns that have low rates of student poverty, 59% would lose state subsidy (the rest see no change); among towns with economic disadvantaged rates that are within 1 std deviation of the mean, 63% gain subsidy, 20% will lose state subsidy and 17% will see no change in subsidy; among the 72 towns that have high rates of student poverty (more than 1 standard deviation above the mean), none will lose subsidy and 89% will gain. Note: overall in terms of "winners" and "losers" there is not much of a difference between the 50/50 model and the 95/5 model as shown in Table 2.7.

Table 2.7: State Subsidy Changes, by Town Income Level, 50/50 vs 95/5, % (#)

	Lose		No change		Gain	
Poverty level	50/50	95/5	50/50	95/5	50/50	95/5
Low (n=85)	59% (50)	59% (50)	41% (35)	41% (35)	none	none
Average (n=330)	20% (67)	20% (67)	17% (55)	18% (59)	63% (208)	62% (204)
High (n=72)	none	none	11% (8)	19% (14)	89% (64)	81% (58)
All (n=487)	24% (117)	24% (117)	20% (98)	22% (108)	56% (272)	54% (262)

In the next few tables, we explore the impact of the modification on the state subsidy, total and per pupil, and the local mil rate expectations by the town's student economic disadvantage rate. [65] Here you can see that there are differences between the 50/50 model and the 95/5 model.

Table 8 shows the mil rate expectations under the three scenarios – the actual under the current EPS formula, under the 50/50 modification model and the 95/5 modification model.

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[65] Note, because all comparisons were made using the base local and state shares (i.e., before adjustments in Section 5A for minimum contributors) our modifications are just redistributing state subsidy between the 487 towns. In other words, the base statewide totals of state and local shares remain unchanged. Therefore, the changes in state subsidy, both total and per pupil, mirror the changes in local required contribution. For example, low poverty towns lose on average $731 per pupil in state subsidy so their local required contribution increases by $731.

Table 2.8: Local Mil Rate Expectation, Mean (Median), Range, by Town Student Poverty Level

	Local actual mil rate	Modified using 50/50 model	Change in local mil	Modified using 95/5 model	Change in local mil
Low (n=85)	4.75 (6.10) 0.31 to 6.10	5.33 (6.74) 0.31 to 8.60	0.58 (0.64) 0 to 2.50	4.82 (6.17) 0.31 to 6.35	0.07 (0.07) 0 to 0.25
Average (n=330)	5.66 (6.10) 0.53 to 6.10	5.33 (5.52) 0.53 to 6.72	-0.33 (-0.28) -1.25 to 0.62	5.63 (6.04) 0.53 to 6.16	-0.03 (-0.03) -0.13 to 0.06
High (n=72)	5.60 (6.10) 0.73 to 6.10	4.13 (4.44) 0.73 to 4.81	-1.46 (-1.54) -2.69 to 0	5.46 (5.93) 0.73 to 5.97	-0.13 (-0.15) -0.27 to 0
Overall (n=487)	5.49 (6.10) 0.31 to 6.10	5.15 (5.39) 0.31 to 8.60	-0.34 (-0.18) -2.69 to 2.50	5.46 (6.02) 0.31 to 6.35	-0.03 (-0.01) -0.27 to 0.25

The actual mil rate expectation for FY2026 is, on average, lower for towns with low rates of student economic disadvantage: 4.75 compared to 5.60 for towns with high rates of student economic disadvantage. The 50/50 modification reverses this regressivity by dropping the local mil rate by an average of 1.46 for towns with high rates of student poverty while increasing it slightly (by 0.58) for towns with low rates of student poverty. As expected, the changes in local mil rate expectations are much more modest if the 95/5 modification model is used.[66]

In Table 2.9 we show the percentage of EPS allocation covered by the state subsidy and the percentage and number of towns who are minimum contributors under the three scenarios. Under modification 50/50 the percentage of allocation covered by the base state subsidy drops from 25% to 20% for towns with low student poverty rates and increases from 53% to 63% for towns with high rates of student poverty. The percentage of low poverty towns that are minimum contributors increases from 41% to 51% under the 50.50 model; the percentage of high poverty towns that are minimum contributors drops from 19% to 11%. Under the 95/5 modification there is barely any change from the actual coverage as determined by the current EPS formula.

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[66] Note: The correlation between the student economic disadvantage rate and the actual mil rate expectation is positive and statistically significant (r = 0.212, p < 0.001). While the correlation is not strong, it does mean towns with higher rates of student poverty tend to be paying slightly higher mil rates. The 50/50 modification reverses the direction correlation and strengthens it somewhat (r = - 0.251, p<0.001), meaning under this scenario as the student poverty rate increases, the local mil rate expectation decreases. Note the 95/5 modification merely reduces the regressivity of the mil rate expectation to a lesser extent (r = 0.167, p<0.001).

Table 2.9: Percent of EPS allocation covered by state subsidy (before adjustments), mean (median), range, FY2026

	State share, actual	% (#) receiving no base state subsidy, actual	Modified using 50/50 model	% (#) receiving no base state subsidy, 50/50 model	Modified using 95/5 model	% (#) receiving no base state subsidy, 95/5 model
Low (n=85)	25% (14%) 0 to 77%	41% (35)	20% (0) 0 to 75%	51% (43)	25% (13%) 0 to 77%	43% (37)
Average (n=330)	45% (54%) 0 to 95%	18% (59)	46% (57%) 0 to 96%	17% (55)	45% (54%) 0 to 05%	18% (59)
High (n=72)	53% (66%) 0 to 100%	19% (14)	63% (75%) 0 to 100%	11% (8)	54% (67%) 0 to 100%	19% (14)
Overall (n=487)	43% (52%)	22% (108)	45% (54%)	22% (106)	43% (52%)	23% (110)

In Tables 2.10 and 2.11 we display the size of the changes in base state subsidy, both in total and per pupil.

Table 2.10: State subsidy, actual vs modified using 50/50 model, mean (median), range, by poverty level

	Total			Per student		
	actual	modified	change	actual	modified	change
Low	$2,711,933 ($216,853) 0 to $25,997,676	$2,081,417 (0) 0 to $22,773,266	-$630,516 (-$82,473) -$8,822,595 to 0	$3,577 ($2,236) 0 to $12,901	$2,846 (0) 0 to $11,917	-$731 (-$528) -$3,686 to 0
Average	$2,788,251 ($921,648) 0 to $74,931,240	$2,902,278 ($982,574) 0 to $77,816,818	$114,027 ($31,669) -$1,868,701 to $8,465,498	$6,443 ($7,385) 0 to $16,343	$6,773 ($7,783) 0 to $16,598	$329 ($222) -$1,040 to $2,615
High	$1,649,985 ($650,083) 0 to $13,002,934	$1,813,700 ($711,065) 0 to $14,982,289	$163,715 ($81,275) 0 to $1,979,356	$7,951 ($9,421) 0 to $16,841	$9,696 ($10,944) 0 to $17,579	$1,745 ($1,078) 0 to $17,579

On average, the total loss in state subsidy to towns with low student poverty is larger than the total gain for towns with high student poverty: low poverty towns lose an average of $630,516 in state subsidy while high poverty towns gain $163,715. This of course has to do with the number of students and the fact that high poverty towns tend to have fewer students (on average, 551 compared to 149). On a per student basis, towns with lower student poverty rates lose $731 in state subsidy while towns with high student poverty gain $1,745; towns with average rates of poverty gain on average $329 in state subsidy.

Under the 95/5 model the amount of redistribution of state subsidy to towns with high poverty would be much more modest. On average, low poverty towns lose $73,869 while high poverty towns gain $15,895. On a per student basis, towns with lower student poverty rates lose $91 in state subsidy while towns with high student poverty gain $106.

Table 2.11: State subsidy, actual vs modified using 95/5 model, mean (median), range, by poverty level

| | Total | | | Per student | | |
	actual	modified	change	actual	modified	change
Low	$2,711,933 ($216,853) 0 to $25,997,676	$2,638,065 ($115,226) 0 to $25,675,235	-$73,869 (-$8,869) -$882,803 to 0	$3,577 ($2,236) 0 to $12,901	$3,486 ($2,094) 0 to $12,803	-$91 (-$63) -$831 to 0
Average	$2,788,251 ($921,648) 0 to $74,931,240	$2,799,367 ($924,620) O to $75,219,798	$11,116 ($2,986) -$186,870 to $846,550	$6,443 ($7,385) 0 to $16,343	$6,474 ($7,411) 0 to $16,368	$31 ($21) -$104 to $2,61
High	$1,649,985 ($650,083) 0 to $13,002,934	$1,665,880 ($656,895) 0 to $13,200,869	$15,895 ($7,203) 0 to $197,936	$7,951 ($9,421) 0 to $16,841	$8,057 ($9,534) 0 to $16,843	$106 ($97) 0 to $500

Potential Impact of Minimum Contributors

As noted above, our modifications change only the base state and local shares; we are not accounting for Section 5 adjustments for "minimum contributors." These districts receive 5% of their EPS allocation or 50% of special education expenditures in state subsidy, whichever is larger as an adjustment in Section 5 of the EPS formula. The adjustments made in Section 5 can change the total cost of education and therefore the mil rates.

We anticipate only modest changes because the total number of towns that receive no base state subsidy – and therefore would be eligible for Section 5 adjustments - does not change

much even under the more progressive 50/50 modification scenario. Under the current EPS model, 108 towns receive no base state subsidy and thus would qualify for Section 5 adjustments while under both the 50/50 and 95/5 modification models the number increases only slightly to 110. However, the average enrollment size of the minimum contributors does increase under the modified models from an average of 156 students to 232 under the 50/50 modification scenario and 171 under the 95/5 modification scenario. This means the Section 5 adjustments for minimum contributors under the 50/50 or 95/5 scenarios might be larger, which in turn means there will be an increase in the statewide mil rate expectation.

Finally, both modifications, and especially the 50/50 modification, target towns with higher student poverty rates for greater shares of state subsidy and without the unintended effect of increasing the base state subsidy going to low-poverty towns (which was the unintended consequence of the prior 1996 version of income in the ability-to-pay formula). However, because the modifications increase the number of low-poverty towns that are minimum contributors, some of the progressivity will be limited by the Section 5 adjustments. With the current EPS model, 41% (35) of low-poverty towns are minimum contributors who will receive an adjustment in Section 5 (either 5% of the allocation or 50% of their special education costs, whichever is larger); under the 50/50 modification 51% (43) of low-poverty towns will receive the "minimum contributor" adjustment.

Conclusion

The analysis detailed above indicates that property value and income do diverge in up to 10% of Maine towns. In these towns the estimated EPS tax bill is higher than average while median household incomes are average or below average. These include towns where income has not kept pace with Maine's rising home values. Given the discrepancy between income and property wealth, adding some measure of income-based ability to pay to the EPS model could enhance the equitability of the distribution of state subsidy. We concluded this section by exploring the impact of incorporating a measure of income, choosing town-level student economic disadvantage rates at the best data source, in combination with property valuation in determining local required contribution and base state subsidy.

We tested two models, the 50/50 model which would make deeper changes, and the 95/5 model that would make only modest changes from the current EPS model. Neither model had unintended consequences: none of the high poverty towns were "losers" and none of the low poverty towns were "winners"; among towns with average levels of poverty, 60% gained state subsidy and 20% lost (in the rest, the state share remained unchanged). Both models resulted in a more progressive distribution of base state subsidy. Under the 50/50 model high poverty towns gained on average $1,745 per pupil and low poverty towns lost $731 per pupil (towns with average rates of poverty gained an average of $329); using the 95/5 model, high poverty towns gained an average of $106 per pupil and low poverty towns lost $91 (average poverty towns gained $31, on average). Both models resulted in a more progressive mil rate: under the 50/50

the mil rate for high poverty towns dropped by an average of 1.46 mils while the mil rate for low poverty towns increased by an average of 0.58. The 95/5 model resulted in only minor changes in local mil rates.

There was little change in the total number of minimum contributor towns under either the 50/50 or the 95/5 models; however, minimum contributor towns are a bit larger in terms of average student counts. While the difference isn't large, it could increase the cost of Section 5 minimum contributor adjustments at least somewhat. Additionally, under the 50/50 model more low poverty towns end up being minimum contributors, meaning the Section 5 adjustments will undermine some of the intended equity impact. If policymakers decide a modification like this should be added to the EPS formula, the Finance team at the MDOE should be asked to model any resulting changes to the total cost of education and the statewide mil as well as the distributional impacts of the subsequent Section 5 minimum contributor adjustments.

While this section has focused on changes to the EPS formula itself as a way to increase taxpayer equity at the district/town level, the next few sections examine solutions outside of EPS. The next section specifically describes policy solutions outside of the EPS formula that can be used separately or in combination with the incorporation of income into the calculation of districts' ability to pay to support individual taxpayer fairness.

E. Addressing Individual Taxpayer Fairness Outside of EPS

The previous section addressed a specific mechanism within the EPS formula that functions at the town level, the calculation of local ability to pay, which determines the portion of the State's 55% share of total education costs a district will receive. We studied a modification that would lead to some districts paying more of their educational costs than they currently do so that other districts, with lower average household income, to pay less. However, no matter how equitably towns as units contribute to the costs of pk-12 schools, within any town there will be some residents who cannot afford their property taxes. Exacerbating this issue is the fact that property taxes have shifted from commercial property owners to residential property owners in recent years (see Appendix C). Even with a three-year average, rapid increases in valuation can lead to substantial changes to individual tax bills year-to-year. This reality has contributed to the challenges facing local school districts when it comes time for local voters to approve school budgets and residents object to rising costs. Any consideration of changes to the EPS formula should include the potential downstream effects on individual taxpayers.

Policymakers may choose to change the EPS formula in ways that would mean some towns would pay more in property taxes, but that does not mean all property taxpayers in those towns must be affected equally. There are local options for property tax relief that policymakers could implement. Resources for additional reading on these options is included as Appendix D.

Reduce, Postpone, or Eliminate Property Tax Responsibility

Policies can be employed to reduce, postpone, or eliminate property tax responsibility on lower-income individuals. Mechanisms used in 42 states, including Maine, include freezes and caps on local property assessments and/or payments for low-income seniors and the disabled. For example, in Texas, local school taxes are frozen on currently owned properties when the homeowner reaches age 65. And in New York, towns can choose to reduce property tax payments by up to 50% for lower-income seniors. Currently Maine uses the Homestead Exemption to reduce property taxes for primary residences of resident Mainers without income restrictions. The State reimburses municipalities at a high rate for this exemption. Policymakers could consider a blanket increase to the Homestead Exemption threshold or an income-dependent threshold. Six states also permit exemptions from or rebates on locally paid school taxes for low-income seniors. In this vein, Maine offers a Property Tax Fairness Credit, through which lower-income Maine residents can receive a refund of a portion of the property taxes they paid on the primary residence. Because the refund is offered by the State, town revenue is not impacted by lower-income residents accessing the credit.

Property tax deferral programs for lower-income seniors or the disabled exist in 24 states. Maine's Property Tax Deferral Program is for disabled residents and those older than 65 years with income and liquid assets under certain thresholds. The State reimburses the municipality for 100% of the lost tax revenue and then is itself reimbursed when the property is sold or after the death of the owner. This program can prevent low-income seniors from being forced to sell their homes by rising home values, while also acknowledging the property wealth some Mainers have accumulated in the increase value of their home over time. This postponement of taxation can be an effective tool for targeting relief based on the chosen eligibility criteria.

F. Other Models for Revenue Generation and Distribution of the State's Share of Education Costs to Increase Equity

Maine is not alone in its search for equitable approaches to funding public schools. We can draw from what other states have tried to help identify what might work well here. To note is that while we began our scan with states having similar demographic, geographic, and political landscapes to Maine, what we found indicated that states with quite disparate characteristics often used similar approaches. We therefore organized the options not by "which states," but by "what is done" by states. This will offer policymakers a higher-level understanding of the types of options available. Next, we discuss some specific implementation features for use within any larger approach that could be considered given Maine's particular needs at this time. The last part of this section addresses the likely need to combine a variety of options to create a feasible and effective solution for Maine. See Appendix D for additional background.

Taxation Methods

The tools below offer policymakers an idea of the kinds of approaches other states use to increase revenue for funding education. Each of the below solutions could be used singly or in combination with other taxation or non-taxation tools to create the right mix for Maine. We recommend education policymakers consider consulting with the Taxation Committee, the Maine Revenue Service, and/or other taxation experts for detailed analysis of the revenues these options could generate as well as any potential positive or negative unintended consequences. Importantly, many of these approaches would require amending Maine's Constitution.

New revenue streams could reduce the reliance on property taxes overall, but would need to target taxpayers with greater capacity in order to avoid contributing to taxpayer inequity. For example, Maine could increase its state income taxes, which are progressive; rates at each income bracket can be independently changed to target which income levels would pay more (or less) than they currently do.

A variety of other local taxation plans exist in other states. Seventeen states permit local income taxes. These taxes may be called by names other than "income taxes," such as "local services taxes" or "occupational privilege taxes," and some target self-employed residents through "levies." Ohio permits localities to tax corporate and pass-through business earnings. The city of Philadelphia collects taxes on unearned income, a strategy that aims to target residents with income often taxed at a lower rate federally.

The addition of local sales taxes is another option. Sales taxes generally land harder on lower-income residents as a proportion of their income (i.e. regressive), thus working against the goal of taxpayer equity. However, 38 states employ the method of *targeted* local sales taxes, such as taxes on luxury goods or services. These can reduce municipal reliance on property taxes to fund services, including education. Supplemental revenue could also come from *additional* property taxes on certain types of property (e.g. an additional 1% tax on second homes to support schools specifically). Examples of tools towns could use to increase revenues using sales taxes without directly impacting lower-income Mainers include: Per-night additional local excise taxes, zone-determined higher lodging tax rates, and permitting education-specific local "bed" taxes on short-term rentals owned by non-residents, perhaps only in low-income/high property value towns.

Recapture is a potential tool for raising funds from "minimum contributor" towns. These towns, as has been described previously, are not held to raising the income that would be generated by statewide mil rate when applied to their property valuation because the amount would be greater than their EPS education cost estimate. Recapture is a step in between Maine's current system and a statewide property tax; in states that have a statewide property tax, all towns are subject to the full tax rate and if the amount raised exceeds their education costs, the surplus is added to a state pool that is redistributed to other towns. Recapture expects towns to bear responsibility for all students in the state, rather than just the residents of their own town, and is consistent with state policy that equalizes resources so that all students receive a similar quality of education. As noted previously,

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Maine's tradition of local control is codified in its Constitution; recapture, like a statewide property tax, may require an amendment.

Recapture equalizes resources but does not ensure that all students *achieve* at the same levels. In Texas, some of the larger cities are high contributors to the pool of state-level funds through recapture, yet their students still see proficiency levels below those of students who live in other types of communities.

Regional Pooling of Property Taxes collects property taxes to be used for education across individual town lines but not at the state-level. By pooling property taxes over a county, for example, the county can distribute what are still local resources over a broader geography according to need. Counties with a mix of urban, suburban, and rural areas could use regional pooling to offset greater need in specific locations and support economic development overall. Counties, or regions, with little economic diversity would likely not see benefits from pooling. County geographic size, population size, demographic makeup, and economic diversity should all be considered in determining the usefulness of this tool. Pooling could also occur over larger geographic areas by expanding district sizes and pooling property taxes within those boundaries, combining a funding solution with a governance solution, which together could reduce overhead costs and make for more equitable distribution of local funds. However, there is ample evidence in large-district states of chronic underfunding of some schools in lower-income areas. Additional policies for equitable distribution would likely be needed.

This tool may be worth considering in Maine if it were either used in combination with larger district sizes created specifically to ensure economic diversity or higher property tax rates on second homes and/or commercial property. Without one or both of those elements it would likely not help Maine's more rural counties. Of note is that regional pooling does not require consolidation of *schools* even if it were to be used with increased district sizes, something that may appeal to local districts. Maryland currently uses this approach, as is described in a later section.

Higher Effective Seasonal Home and Commercial Tax Rates. When states that rely on property taxes to fund schools want to increase revenues without increasing costs to residential homeowners, they can consider higher tax rates on properties that are not a primary residence. Depending on how it is implemented, this is a way for states to either reduce the State's share of local education costs overall, to reduce the amount of the State's share in certain locales which previously had required high levels of subsidy, or to increase available funds overall *without increasing* the State's contribution.

Seasonal homes, or second homes, can either be taxed directly by the state at a set rate statewide, or by allowing towns to levy additional property taxes on second homes. Second homes currently have a slightly higher effective tax rate due to Maine's Homestead Exemption, which exempts a portion of residential home values (currently up to $25,000) from being taxed. The Homestead Exemption threshold could be increased to amplify its impact. Notably, Maine's Homestead system requires the State to reimburse municipalities for the revenue lost due to the exemption, so if the current threshold were simply increased without an accompanying change in

those expectations, there would be a cost to the State. The Homestead Exemption could also be adjusted according to income and/or assets to allow for a higher overall tax rate. States can also levy higher taxes on commercial or industrial properties and permit towns to do the same. Using separate effective rates for different types of properties is a relatively common solution, especially in states with significant numbers of seasonal properties, such as CT, MA, NY, FL, MN, NH, and ME.

Statewide Education Property Tax. Perhaps the simplest and most comprehensive solution is a statewide education property tax, *separate from, and in addition to,* locally collected property taxes. Both the statewide and the locally collected taxes contribute to the costs of schooling, with the statewide education tax contributing to the State's fund for education and being distributed equitably among districts across the state. Vermont uses this approach.

When using a statewide education property tax, states can target specific types of taxpayers for higher levels of responsibility. They can apply a lower Homestead rate for all primary residences and even have those residential rates be income and/or asset sensitive. Commercial and industrial property can have a separate statewide education property tax rate, as in the case in Minnesota. Using this tool in a targeted way and in combination with an updated distribution model could ensure that cities with significant property wealth *and* higher education costs, such as Portland, contribute fairly without decreasing resources available to meet the needs of a community with high levels of economically disadvantaged students.

This approach is especially useful in states that prioritize students and communities having similar resources for local schooling. Income taxes, sales taxes, etc. are already collected at the state level in Maine support education as well as myriad other high value public goods funded through the General Fund. Therefore using property taxes in this way is not inconsistent with current practice, although it is understood to conflict with the Constitution's priority on local control and would likely require an amendment. In addition, without plans in place to protect already struggling taxpayers, it could produce unintended impacts. Because of its purpose, to contribute to what the Maine Constitution calls the "general diffusion of the benefits of education," decisions to implement this approach would likely benefit from strong and clear public messaging to build public interest and political will.

Other Methods

States also use tools outside taxation to increase equity in funding. The three tools shared below are different from those described above in that they puts a larger burden for management onto state-level government due to the necessity of more complicated formulas, which require monitoring of local activities and making subsequent adjustments.

Referendum equalization. Using referendum equalization means the state contributes funds toward voter-approved property tax increases in an effort to equalize effects across property-poor and property-wealthy districts. Minnesota, Oregon, and Kentucky use this method. In Maine all local school budgets are voter approved, unlike in some other states which require referendums to raise

taxes above certain limits. Maine could apply this approach to "over EPS" spending, when towns vote to apply a higher mil rate than required by EPS in order to fund their schools.

Using referendum equalization, Minnesota supports towns at different levels depending on whether funds are raised for basic costs or for costs beyond what are considered essential. In Maine, most towns currently raise "over EPS" (what is considered "essential") and the costs are born solely by the individual town; this tool could be used to support lower-property-wealth towns to raise "above EPS." However, because Maine uses a hybrid approach to funding schools that includes a cost model, expanding the cost model to include a broader conception of "essential programs and services" would also raise the bar of the minimum funding level and therefore achieve at least part of the potential result of referendum equalization.

Additionally, because the equalization aid comes from the state, which pools resources through taxes to provide public goods, it is important to consider which taxes are being levied on whom to provide the equalization aid.

Equalizing Funding for "Over EPS" Spending. The inverse of the previous option could be used in Maine as well. Towns that spend substantially "over EPS" in the prior year could receive proportionally less state subsidy in the following year, with savings diverted to towns below the statewide average per pupil tax capacity.

Notably, many of the towns that spend significantly over EPS are also minimum contributors. These towns received, by statute, 5% of their EPS allocation (cost estimate) or 50% of their estimated special education costs. Since they are already receiving a relatively low proportion of state subsidy, a reduction in funding may not generate substantial revenue.

Statewide Cap on Raising "Over EPS." Some states prohibit districts from raising funds for education spending over a set statewide cap. However, some of those same states also permit local voters to approve an increase to the cap, effectively eliminating it. Wisconsin, Colorado, Oregon, Nevada, Michigan, and California all use some version of a statewide cap.

When some towns spend more and provide substantially more experienced teachers, more specialists, more opportunities for higher level courses, and/or other resources known to have positive impacts on student outcomes, their students are more likely to achieve the Maine Learning Results. This allows their graduates to be more competitive in the job and higher education markets, providing an advantage over students from lower-resourced schools. If a spending cap were implemented, it would narrow the gap in student opportunities from one town to the next. Notably, this is achieved bringing *down* the top rather than by bringing *up* the bottom. Spending caps tend to be motivated by cost-control rather than promoting achievement.

To mitigate negative impacts, strict limitation of spending beyond EPS cost estimates would also require a more robust cost model. The EPS model was developed to estimate the minimum resources for public education and does not attempt to include all the programs and services that many communities have come to expect. It was intended to act as a funding floor, not a ceiling. If spending limits were imposed, they should be accompanied by an intensive effort

to understand and reconcile exactly what communities believe is "essential" and what schools are expected to provide; EPS would likely need to expand accordingly to fund more programs than it currently does.

Strategic Use of Multiple Tools to Increase Equity for Students and Taxpayers

The tools described above can of course be used individually, to target specific taxpayers for relief or additional responsibility or to incentivize districts' spending or taxation behavior. However, using tools in combination with each other can be more effective, depending on a state's values, priorities, and desired outcomes.

Combining new revenue streams and tax relief through the reduction, deferral, and elimination of property taxes for vulnerable taxpayers, as described in the previous section, is an option. For example, an increase in local property tax rates in minimum contributor towns via a consistently applied statewide mil rate might be paired with an increase in the income and asset thresholds for the Property Tax Deferral Program, increased refunds for the lowest-income tax payers, and/or the permitting of a new revenue stream from local "bed" taxes on short-term rentals owned, or not, by non-residents. These different types of tools can be combined to ensure a purposeful balance of taxation responsibility falling on the spectrum of the relatively poor and wealthy, including both Maine residents and non-residents.

Maryland provides a specific example of a comprehensive approach to equitable funding of education using four main tools. Taxpayer equity and student equity are interwoven throughout. First, Maryland includes income measures in assessing local ability to pay and collects and distributes property taxes at the county level. Second, the impact of higher levels of poverty on communities and schools is recognized through additional targeted funding in addition to higher economic disadvantage student weights than Maine's. While applying the county-wide property tax collection and distribution approach in Maine may not be impactful in our more rural counties, it could be applied in counties with particularly disparate abilities to pay and levels of student need. Additional study would be needed.

Below is a summary of Maryland's four-pronged approach:

1. County-Wide Property Tax Pooling for all property types, to spread resources across the effective social and cultural communities and/or labor markets rather than bounding them within sometimes arbitrary political boundaries.

2. Local Ability to Pay = 50% Net Taxable Income* + 50% District Property Wealth.

3. Economic Disadvantage student weights, as Maine does, but higher.

4. Concentration of Poverty Grants for districts with higher concentrations of economically disadvantaged students.

*Calculated at September 1 and November 1 and lower of the two is used in an effort to account for seasonal shifts in high-tourism areas.

Resources

For further reading on the state practices and taxation options described in sections E and F see the Maine Revenue Services resources in Appendix C and the list of resources in Appendix D.

G. Taxpayer Equity Questions are Values Questions

Adoption and implementation of any one of the policy tools we have described in the last few sections would impact differently the many distinct and sometimes overlapping taxpayer types and specific communities of Maine. The choices among policy tools should therefore be informed by community and policymaker values and priorities. This section is meant to aid policymakers by identifying some high-level policy questions, and the implied values questions within them, that can guide further discussion of policy options. Consideration of what Maine people prioritize helps ensure that policy choices will be matched with the intentions behind the desire for greater equity. Answers to these questions would also allow MEPRI and the Maine Department of Education to provide more targeted analysis and determine whether selected options align with policymakers' goals.

Who holds the core responsibility for education?

Towns or the State? Maine's Constitution indicates a balance—towns are to *do* the educating and the State holds the responsibility for *ensuring* they do it. Maine later added a shared responsibility for funding to ensure a base level of schooling was available in all communities regardless of wealth, which aligns with the values articulated in the Constitution through its description of the purpose of education in Maine. The authors understood "(t)he general diffusion of the advantages of education (as) being essential to the preservation of the rights and liberties of the people…"[67] In other words, the future of the rights and liberties of *the people* depend on advantageous education in *all communities*.

Maine has a system of local control. The vast majority of decisions about education are made at the local district level, even while the State has reporting requirements, minimum required courses for high school graduation, and standards for student proficiency. (This contrasts with a more centralized system seen in many states, where even specific curricula may be mandated statewide, for example.) Local control means that, even with the state requirements, the quality of education available to communities, and quality of opportunity for students, may be quite different across the state. No matter what resources are allocated through the EPS system, local choices will still ultimately determine what programs and services districts provide.

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[67] Maine Constitution: https://legislature.maine.gov/ros/LawsOfMaine/#Const

Student-level equity—access to a quality of education that is substantially similar to that afforded to students in even the wealthiest districts—benefits students, but it also benefits communities and the state as a whole in that a well-educated citizenry is prepared to defend its "rights and liberties" as well as compete in the statewide workforce, raising standards and capacities that advance our economy as a whole. Individual taxpayer equity and town-level taxpayer equity can work together to create student equity through a combination of revenue generation and distribution choices, thereby benefitting students, families, communities, and Maine's economy. However, prioritizing statewide student equity can be at odds with Maine's local control framework that puts primary responsibility for education at the town level.

If policymakers deem that the balance between town and State responsibility in the current EPS system is not adequate to equalize student opportunity and tax burden across the state, policy options that shift to more reliance on State funding could be attractive. If we prefer to prioritize local control and responsibility, then the status quo expectation that towns will fund their own schools may be appropriate.

Which kinds of taxpayers should contribute more, or less?

Whether the answer to the first question is town- or state-level, the next question is, "Within the appropriate locale, which groups should contribute more, or less?" We have resident taxpayers and out-of-state taxpayers. Homeowners and business owners. Small local businesses and large corporations. Heads of households and individuals. Working-age and retired Maine residents. Retired wealthy and non-wealthy fixed-income Maine residents. Tourists and out-of-state second homeowners. How does each group contribute through existing income, sales, property, and other taxes? Which groups have more capacity to contribute? How much can different groups bear? Is it fair to ask some groups to make a greater tax effort toward public education than others?

Policymakers should also seek and consider expert guidance on how increasing or decreasing contributions through specific mechanisms may impact taxpayer behavior. For example, what effect would an increase in lodging or restaurant taxes have on the travel and tourism industry? For lower-income Mainers, would paying less in property taxes (local) allow for more purchases and sales tax payments (state)? For higher-income Mainers, would paying more in property taxes (local) result in fewer purchases and lower contributions through sales taxes (state)? How would taxes on non-residents affect Maine's competitiveness for out-of-state dollars?

Once the goal has been identified (i.e. for how policymakers would like to redistribute taxpayer effort), there are possible mechanisms that can be pursued within the EPS state subsidy system, such as those discussed within Section D above. However, many of the available policy alternatives involve different taxation options, which are outside of education policy. These can be pursued at different levels (individual, town-level, and state-level options) to shift the burden

to and from different populations. As noted, some tax policy changes may require an amendment to Maine's Constitution.

Questions of responsibility, true ability, willingness, and downstream effects all must be considered when deciding which taxpayers should contribute more or less to funding Maine's schools than they already do, and therefore which options policymakers should choose.

H. Summary of Policy Options

Table 2.12 summarizes possible alternatives to Maine's current system. Further investigation is needed of each to forecast impacts, identify potential unintended consequences, and determine whether it would require an amendment to Maine's Constitution.

Policy Options for Improving Funding Equity for School Districts Serving Lower-Income Towns
Options Within the EPS Funding Model
1. Determine ability to pay using an income measure in addition to property valuation, such as using town-level student economic disadvantage rates to modify the local mil rate expectation. Assigning modified mil rates based on the 95/5 method described in this report could provide an incremental step to test impacts.
2. Increase the State's share of the cost of education to further reduce reliance on local revenue, including property taxes. (Presumably this approach would need a corresponding increase in state revenue, which requires new or increased taxes or fees of some type. Consideration should be given to whether the new revenues are aligned with the goals of resource equalization and taxpayer equity.)
3. Reduce or eliminate costs or adjustments that are paid by the state out of General Purpose Aid and are deemed to be inconsistent with the goal of equalizing resources. These costs are included in the State's 55% share of the total cost of education and thus reduce the amount of subsidy that is available to distribute to districts with lower ability to pay.
4. Reduce state subsidy provided to districts based on the proportion they raise above the EPS cost estimate; redistribute those amounts using criteria consistent with policymaker priorities.
5. Reconsider whether the EPS cost model should be based on only the minimum costs of education. Using a more robust framework—built around a higher level of expected programs and services—would ensure more resources in districts that do not raise additional funds above EPS.
6. Adopt a variable economic disadvantage factor in the cost model so that districts with higher concentrations of student poverty receive a greater student weight. This option is currently under further study.

Taxation Options
State or Regional Level
1. Statewide property tax for education. Maine could impose a real uniform mil rate for all towns through a statewide (or county-level) education property tax, separate from local property taxes. This approach is similar in many respects to the current system of a statewide *expected* mil rate, except that it would eliminate "minimum contributors." Revenue pooling or recapture policies produce similar results through different mechanisms; they may or may not be easier to implement.
2. Modify municipal revenue sharing system. Maine currently redistributes 5% of certain tax revenues back to municipalities in a formula based on their population and tax burden. The allocation criteria could be modified to incorporate income, e.g. to provide a greater share to towns with lower incomes relative to their property tax bills
Local Level
3. Allow towns more freedom to levy additional taxes or fees; this could be combined with a reduced rate of municipal revenue sharing from the state.
4. Allow towns to apply differential effective property tax rates, so that they can tailor/rebalance the municipal tax burden of various taxpayer types. Allowing towns the ability to raise their homestead exemption threshold—without state reimbursement for the gap between the state and local thresholds—could produce similar results.
Individual Tax Relief
5. Increase the income and/or asset thresholds for the Property Tax Deferral Program, Property Tax Fairness program, or other tax relief programs.
6. Increase the Homestead exemption for qualifying lower-income Maine residents.

PART III: REGIONAL COST VARIATION

Overview of the EPS Regional Adjustment

Why do we have a regional adjustment?

  The EPS school personnel models rely on student-to-personnel ratios to provide for adequate staffing levels at Maine schools. But the price of labor varies in different parts of the state. This is due to different costs of living, especially housing prices, as well as other market factors (e.g. local job market conditions, desirability of the location and position). As a result, equal staffing levels require unequal dollar amounts in different places. In other words, unequal *financial* resources are required to achieve equal *human* resources. Thus, the EPS Regional Adjustment Component is needed to provide sufficient allocations to reach EPS recommended staffing levels. This adjustment is important so that all districts in high-salary areas can afford adequate staffing levels (i.e. to compete with nearby districts for teachers and staff), and those in lower-salary areas are not expected to raise more funds than are needed for their educator salaries. Notably, salary differences also arise because some districts are able to afford higher salaries. The regional adjustment is only intended to address factors not under local control (e.g. cost of living, job market conditions, community amenities).

How the EPS Regional Adjustment is calculated: the Salary Method

  The original intent of the EPS regional adjustment was to provide adequacy in all areas of the state. The current EPS method relies on a labor market framework for geographical units. Maine had 35 Labor Market Areas (LMAs) that were determined by the Maine Department of Labor based on commuting patterns evident in US Census data at the time. Because of an insufficient number of SAUs in some of the LMAs, MEPRI combined the 35 LMAs into 29 LMA groups used in computing the regional adjustment.

  Within each LMA, salary data was used to estimate what is needed in each region to keep up with the market. The SAU regional adjustment is calculated as a salary index value based on actual average teacher salaries within each LMA, adjusted for education and experience using multiple regression, a well-known statistical technique. Within each LMA, some SAU salaries are above the index, and some are below. The statewide average is set to 1.00. The regional adjustment is not designed to change the statewide total allocation, but rather to fund adequate staffing in all areas of the state. The regional adjustment for each SAU is a multiplier that is applied to its school personnel salary allocations on page 1 of the ED 279 subsidy report.

Updated values have been calculated for the EPS regional adjustment several times since EPS implementation during regular periodic EPS component reviews. However, none of these updates have been put into effect. There are several reasons. Most notably, the gap between salaries in the high cost versus low cast areas of the state has spread over time. The results of recent index update calculation was once again a growing gap. The lack of recommended updates has functioned like deferred maintenance of the EPS funding model. It makes the proposed updates more and more dramatic with each successive review. There are more and more prospective "winners and losers" with bigger and bigger gains and losses and greater impacts on school budgets and taxpayers.

Known Issues: Salary Insufficiencies

Feedback from stakeholders has consistently described difficulties in raising teacher salaries due to budget constraints and taxpayer pushback (see Appendix A). The fact that teacher salaries continue to diverge over time across the state, leading to a growing spread from the highest to lowest paying regions, also supports the perception that teacher salaries in some areas are not keeping pace with expected increases.

Prior studies (e.g. MEPRI, 2018) found that even after controlling for teacher demographics and school characteristics, salary had a small but statistically significant impact on teacher retention. Schools that paid higher salaries retained teachers at a slightly higher rate, 90% vs. 87%. After excluding the more-prone-to-leaving beginner teachers and retirement-aged teachers, we found that teachers who remained in their jobs earned on average $4,660 more than teachers who left. We also found that while salary did not appear to be an influential factor on its own in predicting whether a teacher moved to another school district, once other factors were controlled, the majority (79.0%) of teachers who moved did experience a salary increase; movers earned $3,111 more on average.

While not a rigorous study of labor market supply and demand, these findings taken together suggest that teacher salaries in some parts of the state are not high enough to attract and retain an adequate supply of well-qualified teaching staff. The regional adjustment salary method relies on an implicit assumption that the actual salaries reflect market value. If this is not the case, then using salaries as the basis for calculating the EPS regional adjustment may be contributing to the market inadequacies – the lower index applied to lower-salary regions makes it even harder for districts in those regions to raise them.

Regional Comparisons of Salaries and Benefits

Teacher Salaries, by County

There are regional differences in both the education and experience levels of teachers and the salaries they are paid, as can be seen in the Tables 1 & 2 below. Districts located in southern

and coastal Maine tend to hire teachers who have more education. For example, early-career teachers (5 or fewer years of experience) working in districts in Cumberland, York and Lincoln counties are more likely to have a Master's degree (See Table 1). Teachers working in Cumberland County are paid significantly more than teachers in other counties even after controlling for experience and education: early career teachers holding a Bachelor's degree are paid on average $51,581 in Cumberland County compared to the statewide average of $46,190, a $5,391 difference. The difference in average salary paid to early career teachers with Master's degrees is even wider: $62,634 in Cumberland County versus $54,611 statewide, a difference of $8,023.

Table 3.1. Regional Differences of Early Career Teachers (5 or fewer years): BA vs. MA

County	Percent BA only	Average salary (median) BA only	Percent MA or MA +15	Average salary (median) MA or MA+15
Androscoggin	77.3	$44,784 (43,500)	19.3	$47,623 (47,362)
Aroostook	87.3	$44,979 (43,549)	8.5	$52,818 (48,886)
Cumberland	62.0	$51,581 (48,865)	**28.2**	**$62,634 (59,715)**
Franklin	82.1	$43,001 (42,426)	15.5	$53,087 (46,441)
Hancock	69.9	$45,114 (44,849)	21.3	$50,212 (47,956)
Kennebec	77.8	$44,104 (43,803)	15.2	$47,064 (46,952)
Knox	91.4	$42,605 (44,617)	7.1	$53,353 (53,293)
Lincoln	65.2	$46,311 (43,155)	**30.4**	**$52,345 (49,419)**
Oxford	71.9	$44,984 (43,688)	15.8	$54,585 (50,193)
Penobscot	80.5	$44,289 (43,372)	13.3	$48,094 (46,421)
Piscataquis	83.3	$42,074 (41,800)	16.7	$48,805 (49,069)
Sagadahoc	64.2	$48,711 (44,437)	22.6	$57,146 (55,555)
Somerset	84.3	$42,975 (42,227)	12.0	$53,167 (49,575)
Waldo	78.0	$43,914 (43,200)	14.0	$55,897 (50,750)
Washington	79.3	$43,047 (42,100)	17.1	$50,245 (49,242)
York	57.4	$47,753 (47,000)	**30.0**	**$53,382 (51,550)**
Maine	71.4	$46,190 (44,505)	20.7	$54,611 (51,500)

Note: Sample includes full-time regular classroom teachers, literacy specialists and English language teachers.

Teacher salaries by county regardless of education and experience, and also for beginner teachers with a Bachelor's degree are provided in Table 2. Cumberland County again has the highest salaries overall and the highest for beginning teachers.

Table 3.2. All Teachers, Teacher Salaries, Mean (Median), Range, by County, SY2024

County		Salary for All Teachers		Salary for beginner teachers (0-2 years and BA, BA+15, BA+30)
Androscoggin	1,048	$58,269 (56,391) 40,000-95,077	144	$44,113 (42,228) 40,000-75,507
Aroostook	490	$56,824 (57,146) 40,000-83,842	55	$45,550 (43,030) 40,000-68,343
Cumberland	2,545	$72,788 (74,700) 40,905-108,685	219	$50,430 (47,284) 40,905-85,582
Franklin	195	$51,624 (47,518) 40,000-82,658	36	$43,051 (41,200) 40,000-53,757
Hancock	459	$57,598 (56,133) 40,000-87,494	48	$43,946 (43,050) 40,000-49,219
Kennebec	849	$59,844 (58,887) 40,500-91,108	95	$43,094 (43,010) 40,500-48,665
Knox	411	$64,872 (65,525) 40,225-91,835	43	$45,436 (44,008) 40,225-75,741
Lincoln	245	$63,553 (64,407) 40,250-91.160	19	$46,643 (41,632) 40,250-76,086
Oxford	538	$56,983 (54,195) 40,724-87,500	88	$44,767 (43,688) 40,724-59,737
Penobscot	1,230	$61,926 (60,408) 40,000-96,281	121	$43,590 (42,500) 40,000-74,305
Piscataquis	93	$51,610 (47,873) 40,000-76,667	15	$41,194 (40,000) 40,000-50,395
Sagadahoc	299	$68,823 (69,460) 40,811-92,189	30	$48,006 (44,075) 40,811-83,556
Somerset	410	$56,590 (54,900) 40,708-79,100	63	$42,321 (41,500) 40,708-52,401
Waldo	211	$58,741 (60,650) 40,000-75,447	26	$43,642 (42,178) 40,000-68,866
Washington	232	$50,118 (47,300) 40,000-74,200	42	$42,246 (41,350) 40,000-56,200
York	1,737	$65,507 (66,591) 41,541-98,543	160	$46,879 (45,486) 41,541-82,081

Comparison of Total Resources Allocated for Teachers and Ed Techs to Expenditure

To answer the question whether EPS is providing enough funding for current actual levels of teaching staff in Maine schools, statewide SAU General Fund expenditure for regular education teachers, education technicians, and substitute teachers in Fiscal Year 2022-23 was compared to EPS allocations for staff in those categories on the statewide aggregated ED279

SAU subsidy calculation reports. The results of the comparison are presented in Table 3.1. First, the unweighted allocation from Page 1 of the report for each of the selected school staff categories was used as a base. Next, additional EPS allocation amounts for 4YO/preK, K-2, and economically disadvantaged students were added to each category. Finally, because EPS is not prescriptive about how funds are used, the additional allocation amounts from the weights for all school staffing categories were added proportionally to teachers, education technicians, and substitute teachers. As seen in Table 3, the EPS allocation amount was enough to fund all teaching staff at current staffing levels, assuming all additional amounts for school staff were used for teaching staff. Looking at the staff categories individually, the allocations for substitute teachers were much lower than actual expenditures. The funding allocations for teachers and education technicians were more in line with actual expenditures in those areas.

Table 3.3. Instructional Staff Salary Expenditure v. Allocation--Unweighted & Weighted (Regular Education)

| Staff Category | Expenditure | Allocation | | | | |
		Unweighted	Category Weights	%	All Weights	%
Teachers	703,718,075	586,903,450	680,772,256	97%	744,963,375	106%
Education techs	26,480,796	21,621,543	23,956,129	90%	26,214,991	99%
Substitute teachers	23,777,847	7,759,573	8,597,413	36%	9,408,077	40%
Total	753,976,718	616,284,566	713,325,797	95%	780,586,442	104%

Comparison of Current and Alternative Methods of Calculating the EPS Regional Adjustment

Possible modifications to the EPS Regional Adjustment Salary Method explored previously

A series of potential modifications to the EPS regional adjustment were explored and presented in prior reviews, notably in the 2019 and 2021 MEPRI component review reports. A floor would provide a minimum regional adjustment. For example, if a floor of 0.90 were instituted, any LMA regional adjustments below 0.90 would be raised to 0.90. A floor of 1.00 would ensure that no regional adjustments are below the state average. A ceiling would provide a regional adjustment maximum. A soft cap would mean that any calculated regional adjustment

above the cap would be averaged with the cap. In other words, the regional adjustment can be above the soft cap but only by half the calculated amount.

The following is a list of modification alternatives studied in the 2019 & 2021 MEPRI reports together with the estimated allocation cost or savings in uninflated 2019 millions of dollars:[68] [69]

Status Quo Modifications ($millions)

Floor: 0.90 ($2); 0.93 ($4); 0.95 ($7); 1.00 ($24)

Update & Modifications

Pure update (-$7)

Floor: 0.90 ($2); 0.93 ($3); 0.95 ($9); 1.00 ($30)

Floor & ceiling: 0.93-1.09 (-$3)

Floor & soft cap: 0.93-1.09+ (-$0.3)

Based on policymaker and stakeholder feedback to the prior reviews, four alternatives were chosen for closer analysis and comparison in this report: eliminate the adjustment (all 1.00), a pure update, an update with a floor of 0.93, and an update with a floor of 0.93 and a soft cap of 1.09.

Alternative approaches to an EPS regional adjustment: Comparative Wage & Cost of Living Methods

The salary-based, labor market framework used in the EPS regional adjustment component is not the only approach that has been considered. Two other possible approaches have been considered in the past and are reconsidered in this report: a comparable wage index and a cost of living method.

Comparable Wage Index for Teachers (CWIFT). The CWIFT is an index available by county for all states in the US based on salaries in professions comparable to teachers—such as nurses, engineers and accountants— but not including teachers themselves.[70] Comparable wage approach did not exist when EPS was adopted, but was developed soon thereafter. An early

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[68] James E. Sloan & Amy F. Johnson, "Review of Geographic Cost Adjustment Component in the Essential Programs and Services Model" Maine Education Policy Research Institute, November 2019.
[69] James E. Sloan & Amy F. Johnson, "Essential Programs and Services Report of Findings: Regional Adjustment Component Review" Maine Education Policy Research Institute, December 2021.
[70] Cornman, S.Q., Nixon, L.C., Spence, M.J., Taylor, L.L., and Geverdt, D.E. (2019). Education Demographic and Geographic Estimates (EDGE) Program: American Community Survey Comparable Wage Index for Teachers (ACS-CWIFT) (NCES 2018-130). U.S. Department of Education. Washington, DC: National Center for Education Statistics. Retrieved October 17, 2024 from http://nces.ed.gov/pubsearch/.

version, the CWI, was recommended in the Picus Report.[71] [72] It was not to be a good fit for Maine, geographically. Because the researchers developing it were limited to the US Census Bureau public use data, too few geographic units were available in low population states like Maine. A new index, the CWIFT, is available by county for all Maine counties from the NCES. The CWIFT was analyzed for potential use as an alternative EPS regional adjustment. Results are presented in this report.

     Cost of Living Method: two options. Geographic cost of living measures were not available for all areas of Maine when EPS was implemented. As EPS was being developed in the early 2000s, MEPRI proposed and created an index based on housing cost variation, which is the largest portion of the cost of living. It was not adopted as the EPS regional adjustment, and the current salary-based approach was accepted instead. Currently, there are two cost of living frameworks available by county that may be suitable for use in the EPS Regional Adjustment component: the COLI by the Council for Community and Economic Research (C2ER)[73] and the MIT Living Wage Calculator.[74] MEPRI explored how an EPS regional adjustment may be computed form each of these frameworks. The results are included in this report.

Statewide Analysis Results

Current practice

     Baseline statistics on the EPS regional adjustment and total allocations from funding year 2024-25 data are provided in Table 4. The current regional adjustment ranges from a low of 0.84 to a high of 1.09 for a range of 0.25. The weighted mean of 1.005, weighted by student count, indicates that the cumulative effect of the current regional adjustment on the total allocation statewide should be small. The effect of the regional adjustment is more evident on the different areas of the state, rather than statewide, as shown in the next section of the report. The statewide per-pupil allocation of $14,533 was calculated from the total allocation statewide of $2.4 billion and statewide enrollment of 166,297.5.

[71] Lawrence O. Picus et al. *An Independent Review of Maine's Essential Programs and Services Funding Act: Part 1*. Lawrence O. Picus & Associates, April 1, 2013.
[72] Lawrence O. Picus et al. *An Independent Review of Maine's Essential Programs and Services Funding Act: Part 2*. Lawrence O. Picus & Associates, December 1, 2013.
[73] Council for Community and Economic Research, "Cost of Living Index," 2024.
[74] Amy K. Glasmeier, "Living Wage Calculator," Massachusetts Institute of Technology, 2025. Accessed on March 3, 2025 from https://livingwage.mit.edu/states/23.

Table 3.4. Baseline Statistics EPS Regional Adjustment

Statistic	Amount
Regional Adjustment	0.84 to 1.09
Range (from min to max)	0.25
Weighted Mean	1.005
Total Allocation ($millions)	$2,416.9
Enrollment	166,297.5
Per-Pupil Allocation	$14,533

Five Scenarios: current, eliminate, update, floor, ceiling

The MDOE Finance team ran five scenarios using parameters provided by MEPRI representing the current status quo plus four alternative regional adjustments. The data used was from the 2024-25 funding year. One of the five scenarios represents the baseline. The other four represent updates or modifications of the current practice for computing the EPS regional Adjustment based on SAU level teacher salary data, adjusted for education and experience, aggregated to Labor Market Areas (LMA). Additional options based on other methods of computing a regional adjustment are compared and explored in a later section of this report following a more detailed comparison of these five alternatives. The options are listed as follows:

Regional Adjustment Scenario List: Status Quo and Four Alternative Scenarios

S0. Baseline. Status Quo, based on 2004-05 data

S1. No Adjustment (All 1.00)

S2. Update salary data

S3. Updated data, Floor 0.93 no ceiling

S4. Updated data, Floor 0.93 soft cap 1.09

Note: Soft cap means half the adjustment for salary levels above the soft cap. For example, 1.11 (Portland LMA) becomes 1.10 and 1.15 (Kittery-York LMA) becomes 1.12. These two LMAs are the only LMA adjustments over the cap.

To elaborate, *S0 Baseline* is the status quo, which is the current regional adjustment factor for each SAU. These factors have been in effect since EPS implementation in Fiscal Year 2005-06 and were based on SAU reported human resources data from Fiscal Year 2004-05. Regular periodic reviews have been conducted by MDOE with MEPRI, and in each case the original adjustment factors were continued without update.

S1 No Adjustment represents the option of eliminating the regional adjustment altogether. It was modeled by setting the regional adjustment for every SAU to 1.00.

S2 Update Salary Data represents the option of using the regional adjustment factors from the most recent MEPRI review of the EPS Regional Adjustment Component, which provided updated regional adjustments based on SAU Salary Data from Fiscal Year 2019-20.

S3. Updated data, Floor 0.93 no ceiling represents the updated salary data as S2 but with a minimum floor of 0.93.

S4. Updated data, Floor 0.93 soft cap 1.09…adds a soft cap to option S3, which means if the updated regional adjustment would be greater than 1.09, the adjustment would be set halfway between 1.09 and the pure calculated update.

<u>Comparison of Scenarios by LMA</u>

The regional adjustments by LMA for each of the five alternatives are shown in Table 5. At the bottom of the table, the highest and lowest adjustment factor and range for each alternative are provided:

- The baseline status quo has a low of 0.84 and a high of 1.09 for a range of 0.25.

- *Option S1 No Adjustment* is to eliminate the EPS regional adjustment component. It is the same as setting all adjustments to 1.00, in effect treating labor prices as if they were the same throughout the state.

- *Option S2 Update*, updating the regional adjustment using recent salary data, has a lower low of 0.81 and a higher high or 1.15 for a wider overall range of 0.34. This is a reflection of actual salaries. Since implementation of EPS, but not necessarily because of EPS, the regional variation in salaries has grown consistently wider over time. Without a doubt, this fact has contributed to decisionmakers not moving forward with updated regional adjustment factors and sticking with the status quo.

- *Option S3 Floor* addresses the wider range by setting a strict 0.93 minimum floor. Any SAUs whose computed adjustment would be less than 0.93 have their adjustment set equal to 0.93. The result is a narrower range of adjustments 0.93 to 1.15.

- *Option S4 Floor and Soft Cap* has a floor at 0.93, too, and also addresses the high end of the range. It sets a soft cap at 1.09 (which is the current top adjustment). The soft cap means that any amount above 1.09 is reduced by half. For example, the 1.11 for Portland LMA becomes 1.10 which is (1.09 + 1.11) ÷ 2. The 1.15 for Kittery-York LMA becomes 1.12. These two are the only LMA adjustments over the soft cap. These two would both represent increases compared to the status quo. The overall result of this option is the narrowest range of all the scenarios studied, from 0.93 to 1.12.

Table 3.5. Regional Scenarios by Labor Market Area

Labor Market Area (LMA)		Baseline	S1 all 1.00	S2 Update	S3 Floor	S4 Floor Cap+
1	Kittery - York LMA	1.06	1.00	1.15	1.15	1.12
2	Sanford LMA	1.03	1.00	1.00	1.00	1.00
3	Biddeford LMA	1.09	1.00	1.09	1.09	1.09
4	Greater Portland LMA	1.08	1.00	1.11	1.11	1.10
5	Bath - Brunswick LMA	1.02	1.00	1.01	1.01	1.01
6	Boothbay Harbor LMA	1.03	1.00	1.07	1.07	1.07
7/10	Sebago Lake LMA Norway - Paris LMA	0.94	1.00	0.90	0.93	0.93
8	Lewiston - Auburn LMA	0.98	1.00	0.95	0.95	0.95
9	Rockland LMA	1.00	1.00	1.04	1.04	1.04
11	Stonington LMA	0.95	1.00	0.89	0.93	0.93
12	Augusta LMA	0.95	1.00	0.92	0.93	0.93
13	Waterville LMA	0.97	1.00	0.92	0.93	0.93
14	Belfast LMA	1.01	1.00	0.96	0.96	0.96
15	Bucksport LMA	0.94	1.00	0.88	0.93	0.93
16	Jonesport - Milbridge LMA	0.84	1.00	0.81	0.93	0.93
17	Bangor LMA	1.02	1.00	1.02	1.02	1.02
18	Machias - Eastport LMA	0.84	1.00	0.82	0.93	0.93
19	Dexter - Pittsfield LMA	0.94	1.00	0.93	0.93	0.93
20	Ellsworth - Bar Harbor LMA	0.93	1.00	0.92	0.93	0.93
21	Outer Bangor LMA	0.89	1.00	0.87	0.93	0.93
22	Rumford LMA	0.93	1.00	0.95	0.95	0.95
23	Lincoln - Howland LMA	0.86	1.00	0.81	0.93	0.93
24	Farmington LMA	0.96	1.00	0.89	0.93	0.93
25	Calais LMA	0.96	1.00	0.92	0.93	0.93
26/27/28	Patten - Island Falls LMA Millinocket - East Millinocket LMA Houlton LMA	0.88	1.00	0.85	0.93	0.93
29	Skowhegan LMA	1.03	1.00	0.95	0.95	0.95
30/31	Greenville LMA Dover - Foxcroft LMA	0.95	1.00	0.89	0.93	0.93
32	Presque Isle - Caribou LMA	0.90	1.00	0.90	0.93	0.93
33/34/35	Van Buren LMA Fort Kent LMA Madawaska LMA	0.99	1.00	0.93	0.93	0.93
	Lowest	0.84	1.00	0.81	0.93	0.93
	Highest	1.09	1.00	1.15	1.15	1.12
	Range	0.25	0.00	0.34	0.22	0.19

A statistical summary of the regional scenarios appears in Table 6.

● The pure update (S2) has the widest range. This means that regional variation in actual salaries increased in the period from 2004-05 to 2019-20. The high end is higher and the low end is lower. This does not mean that salaries have decreased in any part of the state, but that some parts of the state with lower salaries have also had salaries increasing at a lower rate.

● The updated adjustment with floor and soft cap (S4) has the narrowest range. Also notable, both the high end and the low end are higher than the status quo. As noted above, this results in some high cost areas increasing compared to status quo, but to a lesser degree than a pure update (S2).

● With options S3 and S4, which both include an update and a floor of 0.93, low cost areas would see relief from their history of low salaries, and higher cost areas could see relief from their increasing salary costs. It is important to note that increasing the regional adjustment floor does not guarantee actual salary increases. That is typically done though salary policies such as the statutory minimum teacher salary.

● The enrollment-weighted mean is provided to show that all scenarios should provide a small impact on total statewide allocations. However, it does not mean that there are not areas with large decreases. The large decrease of -0.08 is discussed below.

Table 3.6. Comparison of LMA Regional Adjustments

Alternative	Regional Adjustment			Range	Weighted Mean	LMA Difference from Status Quo
S0 Statue Quo	0.84	to	1.09	0.25	1.005	All 0.000
S1. No Adjustment	All 1.00			-	1.000	-0.09 to 0.16
S2 Update	0.81	to	1.15	0.34	0.997	-0.08 to 0.09
S3 Floor 0.93	0.93	to	1.15	0.22	1.006	-0.08 to 0.09
S4 Floor 0.93 soft cap 1.09	0.93	to	1.12	0.19	1.003	-0.08 to 0.09

Example LMAs were selected to demonstrate how a floor and ceiling would work in practice and are 4 listed in table 7.

● Kittery - York LMA and Greater Portland LMA are examples of the soft ceiling in S4. Note that both LMAs would receive an increase in either the pure update (S2) or the update with a soft ceiling (S4).

● Boothbay Harbor LMA is an example of an LMA that would be due and increase based

on up-to-date salary data, but not affected by the ceiling or soft cap. It would receive the same increase either way.

- Machias - Eastport LMA is an example of a low adjustment that would get lower in a pure update (S2) but would be benefitted by a floor of 0.93.

- Bucksport LMA is an example of an LMA that would experience a large decrease in an update, which would be mitigated by a floor of 0.93.

- Skowhegan LMA is an example of an LMA that would receive a large decrease in an update but would *not* be benefitted by a floor of 0.93. It would receive the largest decrease, -0.08, in either update scenario. Because of changing economic conditions in the region over the past two decades, teacher salary increases in that area did not keep pace with the rest of the state. Their salary rates over that time period went from somewhat above the state average (1.03) to somewhat below (0.95).

Table 3.7. LMA Examples

LMA	S0 Current	S2 update	S4 floor/ceiling
Kittery - York LMA	1.06	1.15	1.12
Greater Portland LMA	1.08	1.11	1.10
Boothbay Harbor LMA	1.03	1.07	1.07
Machias - Eastport LMA	0.84	0.82	0.93
Bucksport LMA	0.94	0.88	0.93
Skowhegan LMA	1.03	0.95	0.95

Positive and negative effects on SAU allocations

To estimate the positive and negative effects of the scenario alternatives on SAU allocations, the SAU-level positive and negative differences from baseline in the scenarios run by MDOE were analyzed by MEPRI. The aggregate positive and negative differences in total allocation are shown in Table 8, along with the number of SAUs in each category and with no difference. These differences are sometimes colloquially referred to as gains and losses and the SAUs that would experience them as "winners and losers." While the statewide total changes would be relatively small under each of the alternatives, the range of differences in individual SAUs may be more significant. All of the update alternatives have "winners and losers." Eliminating the adjustment (S1) would have the largest impact on SAUs, both positive and negative. There would be more SAU "winners" than "losers," but the cumulative losses would be greater than the gains. Option S2, a pure update of the salary data using the same methodology as

the original adjustment, results in substantial positive and negative allocation differences. Options S3 and S4 include a floor, which mitigates the negative difference. The floor also increases the gains, as several LMAs in lower cost areas would have their regional adjustment increased to 0.93. Option S4 adds a soft ceiling. Statewide, the total differences in allocation are comparatively small in all the scenarios. This is expected, because the Regional Adjustment EPS Component was intended to address regional differences in salary prices rather than the total statewide salary cost.

Table 3.8. Total Allocation Difference from Baseline, Negative and Positive

Alternative	Difference by SAU ($millions)			SAU Count		
	Negative	Positive	Total	Negative	Positive	Equal
S1. No Adjustment	-25.8	21.5	-4.3	74	164	8
S2 Update	-16.2	9.1	-7.1	194	43	9
S3 Floor 0.93	-11.4	12.6	1.2	115	114	17
S4 Floor 0.93 soft cap	-11.4	10.1	-1.3	122	106	18

The highlight the largest effects on individual SAUs, the range of positive and negative differences from baseline as per-pupil amounts and as a percentage of SAU total allocation are shown in Table 9. As expected, the biggest per-pupil and percentage "wins and losses" would result from removing the adjustment entirely (S1). The largest negative differences in S2, S3, and S4 of $488 per-pupil and 4.6% of total allocation represent SAUs in the Skowhegan LMA, in Somerset County. As noted above, Skowhegan LMA would not benefit from the floor of 0.93. The large negative and positive per-pupil and percentage differences associated with the pure update (S2) illustrates two things: first, how out of date the current EPS regional adjustment is, and second, how much pain it would take to bring it up to date. The latter point, underscores the importance of managing the implementation of such an update in areas where larger negative impacts are anticipated.

Table 3.9. Lowest and Highest Total Allocation Difference Per-Pupil and Percentage

Alternative	Per-Pupil Difference by SAU ($)			% Differences by SAU		
	Low	High	Statewide	Low	High	Statewide
S1. No Adjustment	-519	916	-26	-3.4%	7.9%	-0.2%
S2 Update	-488	487	-43	-4.6%	3.4%	-0.3%
S3 Floor 0.93	-488	516	7	-4.6%	4.5%	0.05%
S4 Floor 0.93 soft cap	-488	516	-8	-4.6%	4.5%	-0.05%

Adequacy impact of eliminating the adjustment

The EPS regional adjustment is designed to fund adequate staffing levels at Maine schools. The EPS school personnel model relies on recommended student-to-personnel ratios to calculate the allocated The EPS recommended ratios by grade are as follows:

EPS Base Student-Teacher Ratios

PK-K: 15:1

Grades 1-8: 17:1

Grades 9-12: 16:1

To estimate the impact on resource adequacy of eliminating the regional adjustment, MEPRI researchers calculated the effective student-teacher ratios that SAUs would theoretically be able to fund based on actual prevailing teacher salaries in each LMA. The effective ratios are based on the EPS recommended ratios, without applying a regional adjustment, and actual teacher salaries in each LMA adjusted for teacher education and experience. These ratios are then compared to each other and to the EPS recommended ratios.

Eliminating the EPS regional adjustment would mean that EPS allocations for SAUs would provide for different personnel ratios in different areas of the state. Results are shown in the Table 10. The number of students per teacher funded, that is, the effective ratio within each of the three grade spans varies substantially from LMA to LMA. For example, the Pk-K ratio funded varies from the most favorable ratio of 12.2 in the Jonesport-Millbridge LMA to the least favorable of 17.3 in the Kittery-York LMA. Without the regional adjustment, the number of students per teacher funded would be 42% higher in Kittery-York LMA compared to the Jonesport-Millbridge LMA. (17.3 ÷ 12.2 = 1.42)

Table 3.10. If Regional Adjustment Were Eliminated: Effective Ratio Afforded by EPs Base Allocation at LMA Actual Salaries

	LMA group	PK-K	1-8	9-12
1	Kittery - York LMA	17.3	19.6	18.4
2	Sanford LMA	15.0	17.0	16.0
3	Biddeford LMA	16.4	18.5	17.4
4	Greater Portland LMA	16.7	18.9	17.8
5	Bath - Brunswick LMA	15.2	17.2	16.2
6	Boothbay Harbor LMA	16.1	18.2	17.1
7/10	Sebago Lake LMA Norway - Paris LMA	13.5	15.3	14.4
8	Lewiston - Auburn LMA	14.3	16.2	15.2
9	Rockland LMA	15.6	17.7	16.6
11	Stonington LMA	13.4	15.1	14.2
12	Augusta LMA	13.8	15.6	14.7
13	Waterville LMA	13.8	15.6	14.7
14	Belfast LMA	14.4	16.3	15.4
15	Bucksport LMA	13.2	15.0	14.1
16	Jonesport - Milbridge LMA	12.2	13.8	13.0
17	Bangor LMA	15.3	17.3	16.3
18	Machias - Eastport LMA	12.3	13.9	13.1
19	Dexter - Pittsfield LMA	14.0	15.8	14.9
20	Ellsworth - Bar Harbor LMA	13.8	15.6	14.7
21	Outer Bangor LMA	13.1	14.8	13.9
22	Rumford LMA	14.3	16.2	15.2
23	Lincoln - Howland LMA	12.2	13.8	13.0
24	Farmington LMA	13.4	15.1	14.2
25	Calais LMA	13.8	15.6	14.7
26/27/28	Patten - Island Falls LMA Millinocket - East Millinocket LMA Houlton LMA	12.8	14.5	13.6
29	Skowhegan LMA	14.3	16.2	15.2
30/31	Greenville LMA Dover - Foxcroft LMA	13.4	15.1	14.2
32	Presque Isle - Caribou LMA	13.5	15.3	14.4
33/34/35	Van Buren LMA Fort Kent LMA Madawaska LMA	14.0	15.8	14.9
	minimum	12.2	13.8	13.0
	maximum	17.3	19.6	18.4
	EPS Ratio	15	17	16

Results by County

Current Practice

      To provide a regional comparison of the total allocations under the current EPS regional adjustment and alternatives, the scenarios were analyzed by county. Select results are presented in the following tables beginning with the baseline scenario S0 in Table 11. The total allocation is a function of all the EPS cost factors in the SAUs of each county and not only the EPS regional adjustment. The average of the SAU regional adjustments weighted by enrollment for each county is provided in the first data column. To the right is a calculation of the per-pupil allocations in dollars and as a percentage of the state average. Under the current EPS regional adjustment, the per-pupil allocations run from 88% of the state average to 114% of state average.

Table 3.11. Baseline (S0) Per-pupil Allocation Based on Current Regional Adjustment

County	Regional Adjustment (Weighted Average)	Pupils	Total Allocation ($million)	Per-Pupil Allocation ($)	Compare to Statewide
Androscoggin	0.980	14,321	222.4	15,531	107%
Aroostook	0.913	8,054	113.4	14,080	97%
Cumberland	1.069	36,011	528.5	14,675	101%
Franklin	0.960	4,328	64.1	14,815	102%
Hancock	0.936	6,497	96.4	14,835	102%
Kennebec	0.962	14,711	198.3	13,477	92%
Knox	1.000	3,572	53.6	15,019	103%
Lincoln	1.010	4,188	63.5	15,160	104%
Oxford	0.939	8,234	119.4	14,506	100%
Penobscot	0.966	19,278	268.7	13,936	96%
Piscataquis	0.950	2,162	30.2	13,955	96%
Sagadahoc	1.019	4,709	78.5	16,660	114%
Somerset	1.004	6,372	97.1	15,246	105%
Waldo	0.997	3,156	49.9	15,827	109%
Washington	0.872	3,467	44.7	12,888	88%
York	1.064	26,747	388.2	14,515	100%
Statewide	1.005	165,802	2,416.9	14,577	100%
Minimum	0.872	2,162	30.2	12,888	88%
Maximum	1.069	36,011	528.5	16,660	114%

The per-pupil allocations by county under scenario S1 No Adjustment, are provided in Table 12. These allocations represent the result of all the EPS cost factors other than the regional adjustment, such as student needs, staff characteristics, and other adjustments. There are substantial differences in cost allocations per pupil even without regional adjustment, from 93% of the state average to 114%.

Table 3.12 No Adjustment (S1) Per-pupil Allocation

County	No Regional Adjustment	Total Allocation ($million)	Per-Pupil Allocation ($)	Compare to Statewide
Androscoggin	1.00	224.0	15,643	108%
Aroostook	1.00	117.4	14,577	100%
Cumberland	1.00	514.9	14,298	98%
Franklin	1.00	65.1	15,033	103%
Hancock	1.00	98.4	15,152	104%
Kennebec	1.00	201.2	13,678	94%
Knox	1.00	53.6	15,019	103%
Lincoln	1.00	63.3	15,108	104%
Oxford	1.00	122.0	14,823	102%
Penobscot	1.00	271.0	14,058	97%
Piscataquis	1.00	30.7	14,181	97%
Sagadahoc	1.00	78.0	16,556	114%
Somerset	1.00	96.9	15,214	105%
Waldo	1.00	50.0	15,839	109%
Washington	1.00	46.7	13,475	93%
York	1.00	379.4	14,184	97%
Statewide	1.00	2,412.6	14,551	100%
minimum	1.00	30.7	13,475	93%
maximum	1.00	514.9	16,556	114%

The per-pupil allocations for Scenario S4 Update Adjustment, Floor 0.93, Soft Cap 1.09, are presented in Table 13. They range from 90% of state average to 114% of the state average. Compared to the status quo, the largest changes would be in Somerset County (Skowhegan etc.) where the allocations would be 2.2% below the allocations under the current regional adjustment.

Table 3.13. Update Adjustment, Floor 0.93, Soft Cap 1.09 (S$) Per-pupil Allocation by County

County	Regional Adjustment Updated Data	Total Allocation ($million)	Per-Pupil Allocation ($)	Compare to Statewide	Difference from Baseline ($)	Compare to Baseline
Androscoggin	0.948	219.9	15,352	105%	-179	-1.2%
Aroostook	0.936	114.4	14,211	98%	131	0.9%
Cumberland	1.084	531.3	14,754	101%	78	0.5%
Franklin	0.930	63.4	14,651	101%	-164	-1.1%
Hancock	0.930	96.2	14,810	102%	-25	-0.2%
Kennebec	0.934	196.1	13,328	91%	-149	-1.1%
Knox	1.038	54.4	15,223	104%	205	1.4%
Lincoln	1.039	64.1	15,302	105%	142	0.9%
Oxford	0.934	119.3	14,488	99%	-18	-0.1%
Penobscot	0.974	269.2	13,966	96%	30	0.2%
Piscataquis	0.930	30.0	13,865	95%	-90	-0.6%
Sagadahoc	1.010	78.2	16,606	114%	-54	-0.3%
Somerset	0.941	95.0	14,907	102%	-339	-2.2%
Waldo	0.951	49.1	15,570	107%	-257	-1.6%
Washington	0.930	45.5	13,133	90%	245	1.9%
York	1.075	389.5	14,562	100%	47	0.3%
Grand Total	1.003	2,415.6	14,569	100%	-8	-0.1%
minimum	0.930	30.0	13,133	90%	-339	-2.2%
maximum	1.084	531.3	16,606	114%	245	1.9%

Alternatives to the Salary Method: Comparable Wages and Cost of Living

A total of three potential regional adjustments based on different metrics were explored, one comparable wage and two cost of living, referred to as follows:

1. CWIFT: based on the NCES Comparable Wage Index for Teachers

2. COL1: based on the C2er Cost of Living Index

3. COL2: based on the MIT Living Wage Index

Comparable Wage Index for Teachers (CWIFT)

The CWIFT is a well-regarded index useful for a variety of purposes, especially research purposes, nationwide and within states. As a first impression, the currently available CWIFT appears to be an improved fit for Maine compared to previous versions of the index (then named the CWI) in that it includes values for each Maine county rather than the larger geographic units used previously which were not considered an appropriate fit for Maine. The new CWIFT values for Maine counties were converted to a form that would be usable as a potential EPS regional adjustment by recentering the index around the Maine statewide CWIFT value. The resulting index was fit-tested for EPS by examining its correlation to actual Maine teacher salaries (adjusted for education and experience) and to Maine cost of living indices as well as by inspecting the index for unexpected or counterintuitive results. The main findings were as follows:

- The range of the index was from 0.86 to 1.05.

- The index had a very poor correlation (0.231) to actual teacher salaries in Maine. To be usable a correlation much closer to 1.000 would be expected.

- The index had no correlation (-0.038) to the cost of living in Maine. One would expect a regional salary cost adjustment index to have a solid positive correlation to the cost of living.

- Upon inspection there were unexpected, counterintuitive CWIFT values for some Maine counties.

As a result, the CWIFT is not recommended for use in Maine as a regional cost adjustment.

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Cost of Living Indices

COL1 (Cost of living 1). The C2ER COLI is updated annually, and whereas it was available previously only for select metropolitan and similar areas, it is currently available for all Maine counties.[75] While county level data is less granular than the current EPS regional adjustment (35 LMAs combined into 29 LMA groups), it provides a reasonable and stable geographic unit for a regional adjustment. For regional SAUs that cross county lines, enrollment weighted averages would be used, similarly to the current system when a regional SAU has member towns in multiple LMAs. The COLI values for Maine counties were converted to a usable EPS regional adjustment by recentering the index around the enrollment weighted average of Maine county COLI values. The resulting COL1 index was tested for EPS by examining its correlation to actual Maine teacher salaries (adjusted for education and experience) as well as by inspection. The results were as follows:

- The range of the index was from 0.95 to 1.05, which is narrow compared to actual county average salaries as well as the current regional adjustment.

- The index had a high correlation (0.749) to actual salaries as would be expected for a regional salary cost adjustment.

Based on the findings, COL1 would be a reasonable option for Maine to use as a regional cost adjustment subject to the caveat that the range of adjustments is narrower than the range of actual county average salaries.

COL2 (Cost of living 2). Like the C2er COLI, the MIT Living Wage is updated annually and available for all Maine counties. The process of converting the MIT data to a usable regional adjustment index, however, is less simple than for converting the COLI. MEPRI created the COL2 index for use as a potential regional adjustment alternative for Maine counties by combining two data sources: first, the required annual income per working adult by county and household type provided on the MIT Living Wage Calculator website, and second, data on Maine household types from the American Community Survey (ACS) at the US Census Bureau.

The Maine household type data from the ACS used in calculating the COL1 is provided in Table 14, which lists the number of one or two adult households, with or without children, excluding 65 or older living alone. These were considered to be the household types relevant to the Maine teacher labor pool. Also listed is the proportion of households within each type, which is used in calculating the COL2.

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[75] Council for Community and Economic Research, "Cost of Living Index by County," 2024.

Table 3.14. Maine Households with One or Two Adults
(ACS 2023, US Census Bureau)

Household type	Households	%
Two adults* no children	251,487	52%
Two adults* with children	103,002	21%
One adult (under 65) living alone, no children	100,286	21%
One adult** with children	26,906	6%
One or two adult households (excl. over 65 living alone)	481,681	100%

*married couple or cohabiting couple households   Data Source[76]

**male or female householder with children

Household types were selected from the MIT Living Wage data roughly corresponding to the ACS household types. For illustration, the required annual income per working adult are provided in Table 15 for Maine, Cumberland County, and Aroostook County. Aroostook County and Cumberland County, respectively, have lowest and highest required incomes.

Table 3.15. Required Annual Income Per Working Adult. Select Household Types:
Maine Statewide, High & Low County

Selected Category	Maine	Cumberland County	Aroostook County
Two adults (both working) no children	$33,913	$36,834	$31,032
Two adults (both working) two children	$59,916	$67,445	$51,609
One adult no children	$48,292	$52,943	$42,937
One adult two children	$108,658	$124,307	$91,300

Data source[77]

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[76] U.S. Census Bureau, U.S. Department of Commerce. "Selected Social Characteristics in the United States." American Community Survey, ACS 1-Year Estimates Data Profiles, Table DP02, 2023, https://data.census.gov/table/ACSDP1Y2023.DP02?q=household type&g=040XX00US23. Accessed on January 15, 2025.

[77] Amy K. Glasmeier, "Living Wage Calculator," Massachusetts Institute of Technology, 2025. Accessed on March 3, 2025 from https://livingwage.mit.edu/states/23/locations.

For each county in Maine, the required annual incomes were converted to an index centered on Maine, and weighted averages were calculated from these indices using the proportions of Maine households of each corresponding type. The calculations for Aroostook County and Cumberland County are shown in Table 16. Aroostook County and Cumberland County would have lowest and highest regional adjustments, respectively, using this method. The resulting COL2 index was analyzed and its correlation to actual Maine teacher salaries was calculated. The results were as follows:

- The range of the index was from 0.89 to 1.10, which is wider than the range of COL1 but narrower than the range of actual county average salaries.

- As with the COL1 index, the COL2 index also had a high correlation (0.819) to actual salaries. This would be expected in a regional salary cost adjustment.

Based on these results, COL2 would be a good option for Maine to use as a regional cost adjustment, and the range of adjustments is closer to actual salaries than COL1.

Table 3.16. County Living Wage Index Weighted Average (Highest and Lowest)

Corresponding Category Selected	Weight	Cumberland County	Aroostook County
Two adults (both working) no children	52%	1.10	0.89
Two adults (both working) two children	21%	1.14	0.84
One adult no children	21%	1.09	0.92
One adult two children	6%	1.13	0.86
Regional Adjustment (Weighted Average)	100%	1.10	0.89

COLA (Cost of Living Average), an average of COL1 and COL2, may also be a potential alternative EPS regional adjustment worth considering. It is included in the comparison tables.

Comparison of Cost of Living Indices to Salary Method

A comparison of all the alternative EPS regional adjustments analyzed in the current report is presented in Table 17. The values for the salary-based methods (baseline and S1 through S4) are shown as enrollment weighted averages of the LMA regional adjustments.

Table 3.17. Regional Adjustment Alternatives by County
(Current, 4 Scenarios, CWIFT, and COL)

County	Weighted averages by county					CWIFT	COL1	COL2	COLA
	Baseline	S1	S2	S3	S4				
Androscoggin	0.98	1.00	0.95	0.95	0.95	0.96	0.98	0.94	0.96
Aroostook	0.91	1.00	0.89	0.94	0.94	0.92	0.96	0.89	0.93
Cumberland	1.07	1.00	1.09	1.09	1.08	1.05	1.05	1.10	1.07
Franklin	0.96	1.00	0.89	0.93	0.93	0.96	0.97	0.93	0.95
Hancock	0.94	1.00	0.91	0.93	0.93	0.92	1.02	1.00	1.01
Kennebec	0.96	1.00	0.93	0.93	0.93	0.95	0.99	0.94	0.96
Knox	1.00	1.00	1.04	1.04	1.04	0.86	1.03	0.96	0.99
Lincoln	1.01	1.00	1.04	1.04	1.04	0.95	1.02	1.00	1.01
Oxford	0.94	1.00	0.92	0.93	0.93	1.01	0.96	0.93	0.94
Penobscot	0.97	1.00	0.95	0.97	0.97	0.97	0.97	0.96	0.96
Piscataquis	0.95	1.00	0.89	0.93	0.93	1.04	0.97	0.92	0.94
Sagadahoc	1.02	1.00	1.01	1.01	1.01	1.00	1.04	1.02	1.03
Somerset	1.00	1.00	0.94	0.94	0.94	1.04	0.95	0.91	0.93
Waldo	1.00	1.00	0.95	0.95	0.95	0.98	0.98	0.98	0.98
Washington	0.87	1.00	0.84	0.93	0.93	0.92	0.97	0.92	0.95
York	1.06	1.00	1.08	1.08	1.07	1.03	1.01	1.07	1.04

Discussion and Recommendations

The EPS regional adjustment is very much out of date. The gap in teacher salaries across the state has continually spread—the difference between the highest and lowest paying regions has grown—and there are significant changes in the other areas, too. The original regional index values are likely not achieving their intended purpose of ensuring the right level of financial resources to secure adequate human resources in all areas of the state. Although the statewide net cost or savings from updating the regional adjustment would be small, there would be substantial "winners and losers" even with a floor and ceiling. The potential budgetary pain in some areas that would result from bringing the EPS regional adjustment up to date can and should be managed or mitigated. Based on the findings, two general approaches to updating the model would be an improvement: (1) the current approach with updated salary data and a floor and ceiling to cap the spread and (2) the cost of living approach.

The following lists are pros and cons for the regional adjustment alternatives analyzed:

Pros & Cons of Alternative Regional Adjustment Methods

Status Quo (no update)	
Pro	Con
+ Everyone gets the same factor (appearance of horizontal equity?)	-Does not reflect adequate dollars for adequate staffing in all areas (real vertical inequity)
	-Overtaxing for lower cost areas
	-The biggest / most "Winners and Losers"

S2 LMA salary index: Current method with updated data	
Pro	Con
+Reflects recent actual regional teacher salary differences	-Partially reflects ability to pay and voluntary choices
+Gains and losses show the current regional adjustment is out of date	-Large gains and losses (deferred EPS maintenance) will make updating painful

S3 LMA salary index, updated data, floor 0.93	
Pro	Con
+Reflects recent actual regional teacher salary differences	-Partially reflects ability to pay and voluntary choices
+ Floor mitigates both cons	-Large gains and losses (deferred EPS maintenance)

S4 LMA salary index: updated data, floor 0.93, soft cap 1.09+	
Pro	Con
+Reflects recent actual regional teacher salary differences	- Partially reflects ability to pay and voluntary choices
+ Floor and soft cap mitigate both cons	-Some large gains and losses remain (deferred EPS maintenance)
+Less expensive than S3	

CWIFT	
Pro	Con
+Independent of actual teacher salaries, district voluntary factors and ability to pay	-Low correlation to actual teacher salaries- Low correlation to cost of living

COL1 or COL2	
Pro	Con
+Cost of living is one of the strongest salary cost drivers	-Excludes other market factors for teacher salary price (i.e. supply and demand factors)
+Narrower range of adjustments	- The upper range for COL1 is far below actual salaries; COL2 is closer
+Good correlation to actual salaries	
+Automatic updates can be tied to an external index	

1. MEPRI recommends keeping the regional adjustment component in the EPS cost model (not eliminating the regional adjustment) and changing the EPS regional adjustment from the salary-based index (status quo) to a cost of living-based index. Of the indexes analyzed, Option COL2 is a better fit than COL1 both in terms of the correlation to actual salaries and with regard to the overall range of adjustments. An average of COL1 and COL2 (COL-A) would also be a good option.

2. A less-preferred option (but recommended over keeping the status quo) would be Option S4, an update of the salary method with a floor of 0.93 and a soft ceiling of 1.09.

3. Regardless of whether or not one of the recommendations above is adopted, MEPRI recommends an immediate floor of 0.93 (cost estimate $5 million) or 0.90 (cost estimate $3 million).

4. MEPRI recommends taking steps to manage the negative impact on SAUs changing to a lower regional adjustment. There are several options for doing so, not mutually exclusive.

    (a) MEPRI recommends combining the new regional adjustment with other positive changes to the EPS model could mitigate the impact. Examples include increasing the weighted count factor for economically disadvantaged students (preferably, using a linear scale), instituting a variable mill rate, or increasing the per-pupil amounts for student and staff support or for another category affecting all SAUs.

    (b) If deemed necessary, an additional option would be to set a limit on the combined negative impact of these changes on each year's allocation. For example, the impact could be limited to 1% of total allocation per year.

    (c) If the above options are not sufficient, ramping in the new regional adjustment gradually is another option. For example, the positive or negative change to any SAU could be limited to ±0.02. In effect, this would limit the difference to an estimated ±0.7% of total allocation. (Ramping may not be necessary if the regional adjustment change is combined with other changes to the EPS funding model.)

5. Finally, MEPRI recommends updating indices regularly after full transition to avoid the "deferred maintenance" problems that occur when the EPS model parameters are left to go too far out of date. For example, this could be accomplished by requiring that the values be updated after each cyclical review, using a selected cost of living index as the basis for updates.

PART IV: SPECIAL EDUCATION FUNDING

Overview

Several recent studies have raised concerns about Maine's system for funding special education through the EPS special education (SPED) funding model. In particular, this analysis builds on: 1) MEPRI component reviews in 2016, 2019, and 2023; 2) the final report of the 2018 legislative Task Force on Special Education Cost Drivers[78]; and 3) feedback from informed stakeholders in preparing this report (including special education directors, school finance directors, superintendents, and MDOE staff). This report section summarizes key prior findings about inadequacies in the current funding method for special education, describes options for updating the funding model, identifies additional data and resources needed to further inform model parameters, and proposed a recommended transitional funding system while more robust policy options are under development.

Background

Inadequacy and Inequity

As detailed in prior component reviews, the current special education funding model has become **inequitable**. The largest source of concern is that it relies on total district expenditures in the adjustment known as "maintenance of effort." Other issues include outdated cost information on high-intensity service needs, a prevalence threshold that is not realistic for some SAUs, and underbilling for MaineCare-eligible services.

Practitioners also report **inadequacies** in the special education services they are currently able to provide. Some SAUs lack robust evidence-based programs (including Multi-Tiered Systems of Support infrastructure, or MTSS, which is a general education framework of early interventions that can reduce special education referral rates[79]). Other districts are unable to find well-qualified staff to meet students' needs. This means that using expenditure data as a way of gauging districts' resource needs may be inaccurate. Table 1 below illustrates the widely divergent patterns that can be seen in district spending. Each district pair (A&B and C&D) are in the same general geographic region (within the same or nearby counties). Within each pair, the districts have comparable enrollments and roughly comparable rates of students identified with a special education disability. However, their spending per pupil is vastly different. And because

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[78] https://legislature.maine.gov/special-education-cost-drivers-task-force; https://legislature.maine.gov/doc/2035

[79] See https://experts.umn.edu/en/publications/meta-analytic-review-of-responsiveness-to-intervention-research-e

the model relies heavily on total spending to determine each district's funding, the districts with higher spending receive a much larger "maintenance of effort" (step 6) adjustment.

Table 4.1. Illustration of District Discrepancies
(FY23, Approximate / Rounded numbers)

	District A	District B	District C	District D
Special Education Students	250	250	320	320
Identification Rate	12.5%	12.2%	24.1%	20.8%
Total SPED Spending	$3.3 M	$5.6 M	$3.5 M	$6.2 M
Spending per SPED pupil	$13,000	$22,000	$11,000	$19,600
Step 6 Adjustment	$400 K	$2,400 K	$650 K	$3,200 K
Adjustment per pupil	$1,600	$9,400	$2,000	$10,000

With such large differences in spending, these patterns raise important questions. Are the differences in spending attributable to disproportionate numbers of students with intense needs, or to something else? Would a student in district A or C receive the same level and type of special education services if they lived in district B or D? If not, which district is providing the most appropriate services? To explore these questions, we would want to examine the typical patterns of both the types and levels of services provided to students with different special education disabilities. This would inform discussions about differences across the state. Maine does not collect the type of administrative data about IEP services to be able to address such questions, or to monitor districts' practices.

Another source of potential inadequacy in the current model is the prevalence weight system that provides lower funding for students with IEPs above a certain threshold (currently set at 15% of the overall student enrollment identified as special needs). This method is not based on students' actual identified needs, only on the special education proportion of the student body. Some SAUs may have disproportionately more (or fewer) students with intense service needs that are not adequately resourced though the lower student weight for students above 15%.

Staffing patterns also provide some data to explore adequacy of programs and services statewide. In the data reported to the MDOE in FY2023, only 50 school administrative units (including charter schools) reported having a school psychologist among their staff. Many of their positions were part time. There were 28 individuals hired on staff as salaried employees, totaling 25.8 full-time equivalent (FTE) positions. Another 16 individuals served as part-time

contractors to a school unit, totaling 6.1 FTE positions. Assuming these numbers reported by the districts are accurate, the 31.6 total FTE school psychologists in the state equates to well over 5,000 students per school psychologist. The National Association of School Psychologists (NASP) recommends one practitioner for every 500 students. While some aspects of the school psychologist role can be fulfilled by other professionals (such as clinical counselors or social workers), the advanced training of school psychologists for evaluations and psychological assessments, and for overseeing evidence-based multi-tiered student supports and early intervention systems, is pivotal in a well-functioning system.

Increasing Identification Rates

In addition to the above issues, Maine has seen a significant increase in the proportion of students identified as having special education needs. As seen in Table 2 below, over 20% of all Maine's enrolled students now have an IEP. Nationally-reported data cites Maine at 21% special education identification in AY2023, compared to the national average of 15%.[80] Notably, all of the New England states have identification rates above 17%. However, only three other jurisdictions (New York, Pennsylvania, and Puerto Rico) have rates of 21% or higher in national data.

Table 4.2. Special Education Identification Rates by Disability Category

Disability Category	AY 2015 N=182,831		AY 2025 N=172,624		Change in Identification rate
	N	%	N	%	
Specific Learning Disability	9168	5.0%	9221	5.3%	6.5%
Other Health Impairment	6276	3.4%	8789	5.1%	48.3%
Speech/Language Impairment	5392	2.9%	5550	3.2%	9.0%
Autism	2790	1.5%	4909	2.8%	86.4%
Multiple Disabilities	2879	1.6%	2667	1.5%	-1.9%
Emotional Disability	2231	1.2%	2269	1.3%	7.7%
Intellectual Disability	706	0.4%	959	0.6%	43.9%
All Other*	479	0.3%	493	0.3%	–
Total	29,921	16.4%	34,857	20.2%	23.4%

Developmentally Delayed; Hearing Impairment; Deafness; Deaf-blindness; Orthopedic Impairment; Traumatic Brain Injury; and Visual Impairment, including Blindness.

This dramatic increase demands further investigation to explore: 1) why Maine's rate exceeds the national and regional norms; 2) whether early intervention MTSS programs are

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[80] See https://nces.ed.gov/programs/coe/indicator/cgg/students-with-disabilities

adequate; 3) how special education programs should be bolstered or (re)structured to meet rising needs, and 4) how to pay for the increase in needed services.

MaineCare Billing

Prior MEPRI studies (MEPRI, 2021) have described frequent district underbilling of MaineCare for eligible services provided to students with IEPs. There are multiple factors that contribute to this pattern. Some districts lack staff with the knowledge, expertise, and/or information systems to manage the complex rules. Others report fear of penalties that may result if an audit finds a billing error, based on negative past experiences. Still others—particularly smaller districts that have a relatively small volume of potentially billable costs—do not believe that the significant time and energy that must be invested in billing will cover enough of their costs to merit the effort.

According to the Maine DHHS MaineCare in Education division, Maine school districts directly billed for $10.4M in services in FY2024.[81] This was a substantial increase from the $9.7M billed in FY2023.

Cost Drivers

In its 2018 report,[82] the eleven-member legislative Task Force to Identify Special Education Cost Drivers and Innovative Approaches to Services identified several areas of concern. It noted the areas already mentioned above -- rising identification rates for students with disabilities, lack of consistent and robust early intervention systems (MTSS), and underbilling for MaineCare eligible services. It also discussed inefficiencies due to the following: lack of integration of special education and general education services; staffing shortages; unduly burdensome paperwork; and confusing regulations. The report also identified the high cost of litigation as a need for further study, and recommended further expansion of early childhood programs to ensure access to high-quality preschool in every school district.

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[81] Source: Office of MaineCare Services historical direct billing data, provided April 2025 by T. Collins
[82] https://legislature.maine.gov/doc/2035

Funding Model Redesign

Goals

Taking the totality of the above findings into account, an update is needed to the current method for estimating special education costs. In prior reports we have recommended a revised system that would employ variable student weights, with students grouped into different tiers depending on the intensity of their needed special education services. The analyses we conducted for this study, as well as input gathered from special education stakeholders, further reinforced the merits of a multiple-weights model. However, we continue to lack some of the quantitative information that would be needed to calculate the appropriate parameters. Therefore we set the following **short-term** goals to reduce inequities in the current funding model:

1. Eliminate (or greatly reduce) the Step 6 adjustment in the current model that increases allocations to match total spending, as it drives funding (including state aid) disproportionately to wealthier districts. Based on scenarios analyzed by the Maine Department of Education, we suggest reducing the adjustment to 80% of the gap between the base model and prior year expenditures.

2. Move away from the prevalence weight system for districts with higher proportions of students with IEPs, as it is not based on actual identified needs and therefore does not recognize that some SAUs may have disproportionately more (or fewer) students with intense service needs.

3. Examine alternatives to the "minimum special education receiver" adjustment that also drives state aid to wealthier districts.

Notably, these three short-term goals *do not address* the underlying cost drivers of special education nor the unexplained increase in special education identification in Maine. To establish a foundation for that work, we also recommend that the Maine Department of Education begin to collect additional data about students' service needs (and their associated costs) to inform:

- the extent of any untapped potential to leverage MaineCare to access eligible federal funds;

- further study of whether current programs and services being provided are adequate and equitable; and

- eventual development of a multiple-weight tiered cost model based on levels of student need.

Since these data are not yet collected, we also suggest additional case studies to examine high cost in-district programs and services, such as provision of 1:1 adult support or intense behavioral support programs, to better understand district challenges and resource needs.

Guiding Cost Model Principles & Assumptions

- Annual allocation models should be **reasonably predictive** of annual costs. Because they are based on prior data, they are only an estimate of the actual needs in any given year. Highly variable costs that can fluctuate greatly from year to year should be treated separately (i.e. outside of the EPS annual cost model).

- The EPS cost model addresses only state and local funding. However, special education is an area where **federal funds** also play a large role – both in the IDEA title funds provided from the US Dept of Education and in the potential to use MaineCare funds for certain eligible expenses. These federal sources should be leveraged to make optimal use of all available funding.

- If Maine were to implement an intermediate (regional) layer of administration to support and coordinate some special education services, this would likely change how certain types of costs are managed and funded (e.g. related service coordination and billing, some administration, MaineCare billing, regional programs). Regional infrastructure is used in 42 states and has been recommended as a strategy to improve efficiency, transparency, and student access to services.

- There is a **tradeoff** between predictive accuracy and simplicity. Models that are highly predictive need to include a lot of data about the nature of students' disabilities and service needs, as those are significant cost drivers. These data are sensitive and also burdensome to collect, obtain, and use. And since students may move from one year to the next, a highly predictive model may still be less-than-perfect for an SAU's actual enrolled students' needs in any given year (or month). Some compromises in precision must be made to have a model that is feasible to implement (and understandable for transparency).

- **Cost-sharing** (i.e. treating some expenses outside of the annual EPS cost model) has potential pros and cons.
  - Because the upfront costs of new or expanded services are not borne fully by the SAU, it eases the district burden somewhat when unexpected costs arise. SAUs still have some "skin in the game" to encourage efficient spending (unlike circuit breaker approaches where the state picks up costs over a given threshold).
  - However, some districts may feel *less* financial pressure with cost-shared expenses and may be more able to adopt high-cost band-aid solutions. For example, creating 1:1 ed tech positions or relying on more restrictive out-of-district placements is more expensive than evidence-based yet time-intensive and harder-to-staff solutions like inclusive education models and robust early intervention programs.
  - Cost-sharing delineates the proportion paid by the state; for some eligible costs, SAUs can use federal IDEA funds toward their remaining share.
  - Cost-sharing creates more transparency in the types of services being provided, and generates data which can be reviewed to help determine whether students are receiving adequate, appropriate, and least-restrictive services. Mechanisms should be implemented to review data periodically.

- For implementation, MDOE has an existing mechanism for exchanging detailed expenditure information with SAUs and providing within-year adjustments through the MaineCare seed payment process. This would need to be expanded and retooled to accommodate a significantly broader scope and scale if some special education costs were shifted to a cost-share system as we are recommending.

- If some special education costs are shared at a fixed percentage, it may be politically feasible to eliminate the minimum special education adjustment in state aid. This should improve equity.

Regional Education Agencies (REAs)

Regional education agencies are intermediate education agencies that serve as a link between state and local level government to provide technical assistance, specialized services, and administrative services (US Congress, 2001). Currently, 42 states in the United States use regional education agencies to provide critical instructional support and access to resources, often providing critical and valuable support to small rural districts. 68% of schools in Maine are considered rural schools, and 71.5% of these schools are considered "small." There are four states in the US with a comparable density of small rural schools: South Dakota, Montana, Vermont, and North Dakota (Showalter et al., 2023). Of these states, all except Vermont have robust regional education agencies. Regional agencies in SD, MT, and ND have a robust professional development infrastructure to provide high-quality, evidence-based professional develop to school districts to improve academic instruction and special education services.

In all three of these states regional education agencies provide district level support state-wide MTSS or PBIS infrastructure by providing technical assistance to districts, to develop effective systems, provide high quality training and coaching for district staff, and program evaluation support to monitor the effectiveness of these systems. Technical assistance supports districts to determine how to best develop effectives systems that are well aligned with district needs and culture. In the absence of technical assistance, districts are more likely to spend precious resources developing ineffective, partial, or inefficient systems (Kittleman et al., 2020) For example, see the North Dakota Regional Education Association (https://www.ndrea.org/index.php?id=99). These states report special education rates between 14-16% (NCES, 2022). Absent of regional education agencies, Vermont has a robust statewide PBIS/MTSS initiative, where regional coaches are assigned to every district across the state, self-paced training modules are freely available to all districts, personalized technical assistance is freely available to all districts, a summer institute designed to provide training and coaching to district teams, and a list of recommended professional development providers who can provide high quality MTSS professional development tailored the state's unique needs. Vermont has a special education rate of 18% (NCES, 2022). Additionally, regional agencies in these states share resources to provide specialized special education services, evaluation services, and consultation, multilingual education services and consultation, related services, technology support, accounting/fiscal services, and cooperative purchasing to member districts (Wade, 2021).

Types of Special Education Costs

Table 4.3. Statewide Special Education Spending in FY 2023*

Category	Total FY2023 Expenditure	% age of total
1. Teacher Salary & Benefits	$175,395,939	33.9%
2. Ed Tech Salary & Benefits	$154,354,771	29.8%
3. Related Services	$95,814,858	18.5%
4. Administration	$45,546,168	8.8%
5. Out of District Tuition	$36,497,412	7.1%
6. Unassigned (All Other)	$9,647,190	1.9%
Total	$517,256,337	100%

To prevent double counting, $10.0M in tuition payments between SAUs are excluded.

In the tables that follow, we provide additional detail about each of the above categories of special education expenses and how they could be treated in a revised funding system.

Notes:

- Transportation costs are included in the EPS transportation component. Out-of-district special education transportation has an explicit adjustment, and all other special education transportation costs (including in-district) are contained in the basis for the density cost model.

- Costs for pre-K special education are part of the state-funded pilot project with CDS and are currently outside the scope of the EPS special education component (and not included here).

- Supplies, equipment, technology, property services, and dues & fees are included in the EPS Supplies & Equipment cost component.

- Judgments against the SAU, non-expense items, and fund transfers are excluded.

Special education teachers have training to support specialized instruction for students with IEPs. They may serve in any instructional setting (regular classroom, resource room, self-contained classroom, or homebound/hospital settings). Also includes substitute teachers, temporary employees, and tutors.

1. Special education teacher salary and benefits ($175M)	
Accounting Definition	Programs 2100 through 2499 Object codes for non-ed tech salaries and benefits
Cost Model Implications	Positions are planned in the budget based on program needs and general special education enrollments; typically predictable. (Coefficient of variation in FY2021: 0.59)
Options	Include in a single base weight applied to all students with IEPs. Establish two (or more) weights, with special education teacher costs assigned to different weights based on the intensity of needs of the students they serve (requires additional study)
Implementation Notes & Data needs	Additional data would need to be collected about the nature of teacher roles, including and the number of students they serve, to develop the weights for option 2. A multiple-weight system would also require a way of categorizing students with IEPs based on the intensity of their needs. Placement setting is an imprecise indicator, as some students with intense needs are in mainstream (regular classroom) settings in inclusive education programs.
Transition recommendation	Include special education teacher costs in s single base weight (applied to all students with IEPs). Collect data to study the feasibility and impact of moving to a multiple-weight system in future.

2. Paraprofessionals (Educational Technicians)

Educational technicians are paraprofessionals who support students with IEPs, usually under the direction of a special education teacher or director. They serve students in regular classroom, resource room, self-contained classroom, or homebound/hospital settings. There are three levels of Educational Technicians (I, II, and III), with increasing levels of responsibility for student instruction (and accompanying additional credentialing requirements) for each level. From a cost perspective, most positions fall into one of three categories:

a) Aides assigned to generally support all students in a room (usually a resource or self-contained classroom, less commonly a general classroom)

b) 1:1 (or 1:2) aides assigned to support a specific individual student(s);

c) Ed Techs with specialized training as a Behavioral Health Professional (BHP) to support a specific individual student. In many cases, their services qualify for MaineCare billing. It is unclear whether their salaries are typically co-mingled with other ed techs, or if they are coded as "related services" (category 3 below).

2. Educational Technician salary and benefits ($154M)	
Accounting Definition	Programs 2100 through 2499 Object codes for ed tech salaries and benefits
Cost Model Implications	Most resource room and self-contained aide positions are planned in advance as part of an overall program. Some 1:1 aides are planned in advance and are predictable when the student with that need is continuing in a district, but are unpredictable when a student moves in (or out) of a district, or when the need is identified and added to an IEP mid-year. BHP positions that meet criteria for MaineCare reimbursement should be considered separately from the other position types. The coefficient of variation in FY2021 was a moderate 0.66, which suggests that ed tech costs could be suitable for modeling in a base weight. However, stakeholder feedback strongly cautioned against this approach without a multiple-weight system that can better predict the need for 1:1 aides.
Options	Include educational technicians in a single-weight system, and provide a more responsive "hardship" mechanism to support districts with unexpected costs. Include educational technicians in a multiple weight model (after additional data collection and analysis to determine how the roles should be assigned to each weight).

2. Educational Technician salary and benefits ($154M)	
	Treat on a cost-sharing basis (excluding any BHP positions that have been billed to MaineCare).
Implementation Notes & Data needs	Staff data reported each fall does not include information on the nature of each ed tech's role. The type of ed tech position would need to be collected for each position and compared to the number and type of students served in order to calculate multiple weights. Information on ed tech credentials may also need to be collected to aid in determining which positions may be eligible for MaineCare.
Transition recommendation	Subject to additional stakeholder input.
	Including ed techs in the base weight would be easiest to implement in the short term while additional data is collected. Districts that are employing a disproportionately high number of 1:1 aides may need additional transitional funding.
	Ed tech salaries and benefits can initially be treated on a cost-sharing basis, rather than a single base weight. This would increase transparency and facilitate additional data analysis. MaineCare should be pursued for eligible BHPs.
	Use expenditure data to study the feasibility and impact of moving these costs to a multiple-weight system in future.

3. Related services

Includes services other than specialized education that are needed to support students in being ready to learn. Includes social work, counseling, psychological, health / nursing, speech, audiology, occupational therapy, physical therapy, and visual impairment support services.

In most cases these services are eligible for MaineCare reimbursement. In AY25, at least 60.1% of students with IEP were deemed economically disadvantaged and thus presumed to be eligible for MaineCare. For those students, related services are often covered. Furthermore, there are proposed changes under review that would further expand the kinds of services that MaineCare covers, resulting in almost all of these related service costs being covered for eligible students. MaineCare-eligible services should not be included in the EPS cost model estimates to prevent double-counting.

3. Related services ($97M)	
Accounting Definition	Program 2800 (Other Special Programs); object codes for salaries, benefits, and purchased professional services
Cost Model Implications	FY2021 Coefficient of variation: 0.82 (moderate).
Options	Use a cost-sharing basis (excluding eligible services that have been billed to MaineCare).
	Include in base weight(s) but continue current practice of subtracting MaineCare payments from SAU allocations.
	Given the moderate-high variation, as with ed techs there should be a more responsive "hardship" mechanism to support districts with above-predicted non-MaineCare costs.
Implementation Notes & Data needs	TBD
Recommendation	Treat related services expenses on a cost-sharing basis, excluding services that have been billed to MaineCare.
	Near-term: Increase supports for districts to identify and bill for services that are eligible for reimbursement from MaineCare or private insurance (shared between federal and local via seed).

4. Administration

Overhead costs to operate special education programs including administrative and clerical staff compensation, and contracted professional administrative services.

4. Administration ($48M)	
Accounting Definition	Program 2500 Object codes for salaries, benefits, and purchased professional services
Cost Model Implications	Planned in the budget based on program needs and general special education enrollments; typically predictable. (Coefficient of variation in FY2021: 0.78, moderate)
Options	Single weight Multiple weight, with admin costs apportioned to each weight equally (very similar to single weight) Multiple weight, with admin costs apportioned to each weight based on level of oversight needed for each tier Cost share
Implementation Notes & Data needs	None.
Recommendation	Include in single base weight. Consider adding regional support structure (intermediate education level) to support administration and MaineCare billing.

5. Out-of-district Tuition

Costs to pay tuition for special-purpose private schools when a students' needs cannot be met by their district's special education program. Includes tuition to out-of-state programs, post-secondary, and other tuition. (EPS model computations do not include tuition payments on behalf of students attending an SAU outside of their resident district to prevent double-counting.)

5. Out-of-district Tuition ($36M)	
Accounting Definition	Program code 2xxx with tuition object code (e.g. 5620, 5630, 5650, 5690)
Cost Model Implications	These costs are high but comparatively rare. This makes them difficult to predict when a student is newly assigned to this placement. A portion of these costs are currently shared with the state. (Coefficient of variation in FY2021: 2.56)
Options	Use a fixed cost-share percentage Maintain current system of covering all costs above a threshold
Implementation Notes & Data needs	TBD
Recommendation	Treat on a cost-sharing basis.

6. All other costs

All other special education costs, primarily contracted special education services in instruction program codes. Also includes professional development and associated travel costs and some purchased services and miscellaneous expenses if not included in other EPS cost components.

6. All other ($10M)	
Accounting Definition	Program codes 2xxx not otherwise captured above
Cost Model Implications	Typically programmatic and predictable.
Options	Include in base weight(s)
Implementation Notes & Data needs	None.
Recommendation	Include in base weight.

7. Not currently included: Early Intervention via MTSS (Multi-Tiered Systems of Support)

An overall program for identifying when students are not meeting age-appropriate learning expectations or behavior expectations and providing increasingly intensive interventions to remediate. Though considered part of a general education program (i.e. to be provided to students without IEPs), federal special education funding can be used for early intervention, and some of the more intensive (Tier III) supports may also be effective and appropriate for students with IEPs. The potential for overlap between MTSS and Special Education can therefore be a source of confusion.

7. MTSS (Multi-Tiered Systems of Support)	
Accounting Definition	Not currently defined in accounting handbook.
Cost Model Implications	This would require new funding. A lack of MTSS services drives up costs in the long run, as early intervention can get students quickly back on track. Bolstering programs is therefore a good ROI and good for students. But requires up-front investment before savings can be realized. Can use federal IDEA funds too.
Options	Add a per-pupil amount on page 1, which would then be multiplied by any additional student weights on page 2 (i.e. more resources added for higher poverty SAUs) Create a student weight on page 2 to support 5% of students who struggle Double the page 2 student weight to also support G&T students to replace the G&T adjustment on page 3.
Implementation Notes & Data needs	Depends on option.
Recommendation	Narrow down the options that policy leaders wish to further explore and model.

Summary of Recommended Transition Steps

- Pursue regionalization of special education services and/or administration. This is the norm in most states and has the potential to improve access to services, provide more support to teachers and students, increase oversight, and reduce costs in the long-term.

- Implement a collar on the step 6 "maintenance of effort" expenditure adjustment. We recommend allocating 80% of the difference between the base model allocation and actual prior year spending.

- Consider increasing the prevalence threshold to 17%, and/or increasing the prevalence weight to 0.40, while development of a tiered weighted system is underway. The current values (15% and 0.38) do not match current identification practices and spending levels, which contributes to the gap between the model amounts and actual expenditures.

- Continue developing a multiple-weight cost model to more adequately estimate districts' funding needs (data collection in Fall 2025 under EPS contract).

- Discontinue the spring adjustment for unbudgeted out-of-district tuition costs (EF-S-214 report). Instead, adjust the hardship criteria to be more responsive to districts that cannot afford unexpected changes in special education costs.

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PART V: ADJUSTMENTS TO THE STATE SHARE OF EDUCATION COSTS

In Section 5 of the ED279 subsidy calculation report, there are several adjustments to the state subsidy for eligible school units. These adjustments are included in the so-called "purple sheet"[83] or "General Purpose Aid for Local Schools Total Cost." These adjustments are counted as part of the 55% state share. Adjustments made in Section 5A are for minimum contributors only; they reduce the local required contribution by increasing the state subsidy from the state share calculated on the basis of local ability-to-pay in Section 4. The adjustments in Section 5B of the ED279 impact only the state subsidy of eligible school units. Because the adjustments increase the total statewide cost of education, they also increase the statewide mil rate expectation.[84]

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[83] https://www.maine.gov/doe/sites/maine.gov.doe/files/inline-files/School%20Finance%20-%20FY26%20FY22%20-%20FY26%20General%20Purpose%20Aid%20State%20Contributions%20%28Purple%20Sheet%29%20-%201.23.2025.pdf

[84] See: What is included in the total cost of public education in Maine? What does the 55% state share include? https://legislature.maine.gov/doc/10232

Minimum Contributor Adjustments – state subsidy adjustments that result in local required contributions being adjusted downward.

Minimum state subsidy adjustment or minimum special education adjustment for minimum contributors

Per Title 20-A, §15689 Subsection 1(A) and 1(B)

FY25 State subsidy to districts that receive the 5% of their EPS allocation: $20,907

FY25 State subsidy to districts that receive the 50% of special education costs: $20,499,227

Description:	Comments & FMI:
A minimum contributor is identified when the state share calculated in Section 4 is below the statutory minimum. This usually occurs because the calculated total cost of education (EPS allocation as calculated in Sections 1-3 of the EPS formula) is less than the local expectation (the statewide mil rate cap multiplied by the current town valuation).	Minimum contributors tend to be somewhat higher wealth communities, both in terms of property wealth and income-based measures.[85]
Description continued,	
By law, every school administrative unit must receive some state subsidy. Because the base subsidy (i.e., state contribution before adjustments calculated in Section 4 of the EPS formula) is too low, they receive the greater of 5% of the EPS allocation or 50% of estimated special education costs.	

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[85] On average, in FY2026 minimum contributor towns had 138 students (range 2 to 1,529) while the average student count for other towns was 394 (range 5 to 6,563). Minimum contributor towns also have lower rates of student economic disadvantage (44% vs 52%). Using the most recently available household income data from the Maine Revenue Service (FY2022), the median income across all taxpayers in FY2022 was $48,491 in minimum contributor towns (range $26,513 to $90,776) and $44,198 in other towns (range: $22,223 to $110,681).

Minimum adjustment for debt service

Per Title 20-A, §15689, subsection 2: Adjustment for debt service.

Enacted $ amount in FY25: $1,889,471 in SY2025

Description:	Example:
To be eligible for this adjustment, the unit is a minimum contributor and has debt service costs (principal and interest payments for major capital projects) or lease payments for temporary buildings or classroom space that have been approved by the commissioner. The MDOE Finance team calculates the debt service adjustment mil rate every year (45% of statewide debt service divided by the total statewide property valuation * 1,000).[86]	Harpswell is a minimum contributor in SY2026 and is thus eligible for this adjustment (Note: the other towns in RSU75 – Bowdoin, Bowdoinham and Topsham - are not minimum contributors and are therefore not eligible for this adjustment). The adjustment is $39,664 and their local mil rate expectation for EPS drops from 2.39 to 2.37.

Minimum adjustment for economically disadvantaged student

Per Title 20-A, §15689, subsection 11: Minimum economically disadvantaged student adjustment.

The total amount of state subsidy to fulfill this adjustment for SY2025 was $2,358,526

Description:	Example:
A school administrative unit is eligible for this adjustment if they are a minimum contributor and the economic disadvantaged student rate is greater than the state average, and they operate a school. The amount of the adjustment is the amount computed as the school administrative unit's total allocation for economically disadvantaged students (calculated in Section 2 C and D of the EPS formula). They receive this amount in addition to their other minimum contributor adjustments. This adjustment benefits the minimum contributors where property wealth and income wealth diverge (i.e., they might have high property wealth, but they also have high student poverty).	Brooksville Public School was a minimum contributor in SY2026 and was eligible to have the state cover 50% of its special education allocation ($104,383); because its student economic disadvantage rate was more than the state average (54.76% vs 52.43%) it was also eligible for the economically disadvantaged student adjustment. Before adjustments Brooksville's local mil rate expectation was 2.43. Once both adjustments for which they are eligible were applied, their mil rate dropped to 2.06.

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[86] See Section 15672, sub-section 2-B. Debt service adjustment mill rate. "Debt service adjustment mill rate" is the mill rate derived by dividing 45% of the debt service costs by the property fiscal capacity for all school administrative units. https://www.mainelegislature.org/legis/statutes/20-a/title20-asec15672.html . In SY2026 the rate was calculated as follows: 45% of the total statewide debt service ($107,980,878) = $48,591,395, which is then divided by the total statewide property valuation ($233,650,050,003) divided by 1,000 = 0.21.

Minimum adjustment for special education (prior towns in RSUs)

Per Title 20-A, §15689, Adjustments to state share of total allocation, subsection 1-B

The amount of state subsidy to fulfill this for SY2025 was $897,427

Note: in SY2026 there were 7 towns that received this adjustment.

Description:	Example:
If a town previously belonged to an RSU or AOS that was eligible to receive the minimum contributor's 50% special education adjustment for fiscal year 2007-08 or fiscal year 2008-09 then it qualifies for the minimum adjustment for special education (even if it is no longer a minimum contributor).	Freeport is a member town in RSU 05 and its students make up 58.11% of the district's students in SY2026. Its local required contribution based on the statewide expectation of 6.10 mils was $14,153,932, so it would have received $882,277 in state subsidy without this adjustment. However, Freeport is eligible for the minimum special education adjustment because it received one prior to joining RSU 05. The adjustment provided additional state subsidy of $351,556, for a total subsidy of $1,233,833, which lowers their expected mil rate to 5.95.
Eligible towns get in state subsidy an amount equal to at least 50% of their share (based on the % of district students coming from their town) of the district's special education costs. The amount they receive is 50% of their share of the district's special education costs minus their base state subsidy (which is the amount calculated in Section 4 of the EPS formula).	

Estimated Additional EPS Costs Superintendent Agreement Adjustments

The amount in SY2024 and SY2025 was $4M; recommended at $1.5M for SY2026

Not found in statute	Appears in purple sheet starting in SY2024

Estimated Additional EPS Costs High Cost Out-of-District Spring EF-S-214

The amount is stable at $3M

Not found in statute	**Comments & FMI:**
	Appears in purple sheet starting in SY2024
	https://mainedoenews.net/2022/02/25/eps-high-cost-out-of-district-report-ef-s-214-open-for-reporting-on-march-1-the-deadline-is-april-15/

Adjustments to State Contribution (Subsidy) Only

Audit adjustments

Per Title 20-A, §15689, Adjustments to state share of total allocation, subsection 4: Audit adjustments.

The amounts is stable at $225,000.

Description:

By law, if errors are revealed by audit and approved by the MDOE, the unit's state subsidy must be adjusted to include corrections.

If audit adjustments are discovered after the funding level is certified by the commissioner and the state board on December 15th pursuant to section 15689-C, the department may request the necessary additional funds, if any, to pay for these adjustments. These amounts, if any, are in addition to the audit adjustment amount certified by the commissioner and state board on the prior December 15th.

Educating students in long-term drug treatment center adjustments

Per Title 20-A, §15689- Adjustments to state share of total allocation, subsection 5: Adjustment for cost of educating eligible students in long-term drug treatment centers.

$442,534 in SY2022 and then $249,607 every year since.

Description:

A school administrative unit that operates an educational program approved pursuant to chapter 327 to serve eligible students, long term (more than 60 days), in licensed drug treatment centers must be reimbursed in the year in which costs are incurred.

Reimbursements are based on the state average tuition rate for the number of students in the approved program plan.

Tuition rates are based on the SAU's actual expenditures and revenues (from General fund only), except expenditures for special education, CTE, major capital outlays, debt retirement, tuition and transportation (i.e. tuition rates are based on general education expenses only).

The tuition rates may be adjusted if the program is approved to operate beyond the 180-day school year.

Comments & FMI:

For information on Chapter 27, see:

https://legislature.maine.gov/statutes/20-A/title20-Ach327sec0.html

Information on tuition charges:

https://legislature.maine.gov/statutes/20-A/title20-Asec5804.html

https://legislature.maine.gov/statutes/20-A/title20-Asec5805.html

https://www.maine.gov/doe/funding/reports/tuition

Education services center (ESC) member allocation

SY2025 $6.0M. Recommended for SY2026 $5.9M

Description:	Comments & FMI:
Education Service Centers are operated by and for school administrative units. They provide education programs and/or administrative support services to help member districts improve student outcomes. The state provides an allocation to ESC members to support participation.	In SY2026 there were 105 eligible districts participating in ESCs.
	For more information on education service centers, see:
Districts are eligible to receive this adjustment if they purchase at least 2 different services covering a total of at least 2 different categories from the education service center as specified in subsection 2.	Title 20-A: EDUCATION
	Part 2: SCHOOL ORGANIZATION
	Chapter 123: EDUCATION SERVICE CENTERS
	https://www.mainelegislature.org/legis/statutes/20-A/title20-Asec3801.html
There are 4 categories of services: instructional (e.g., G&T, special ed, summer school); support (shared extra curricular programs, staff training and PD); central office (e.g., food services, payroll); and facilities and maintenance. [87]	For more information on how eligibility is determined and allocation calculated:
	https://www.mainelegislature.org/legis/statutes/20-a/title20-Asec15683-C.html
The amount they receive in allocation is $94 per pupil multiplied by a % by the unit's state share percentage (not to exceed 70% and not less than 30%).	https://www.maine.gov/doe/schools/embrace/regional-service-center/new-member

MaineCare seed for school administrative units.

Per Title 20-A, §15689- Adjustments to state share of total allocation, subsection 14: MaineCare seed for school administrative units.

Same amount every year = $1,334,776

Description:	Comments & FMI:
When MaineCare pays for a school-based service provided to a student, 62% is paid for by the federal government and the rest (38%) is paid by the state (this match is referred to as "seed").	For more information:
	https://www.maine.gov/doe/funding/reports/mainecareseed
SAUs are responsible for the state share of the cost of MaineCare services provided in the school setting to their students in accordance with the student's IEP/IFSP.	
The Maine DOE pays DHHS/MaineCare on behalf of the SAU and deducts the amount from the SAU's state subsidy in Section 5B of the EPS formula.	

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[87] For the list of services and categories, see https://legislature.maine.gov/legis/statutes/20-A/title20-Asec15683-C.html

Special education hardship adjustment

Per Title 20-A, §15689, Special Education Hardship Adjustment,

Subsection 15: Special education budgetary hardship adjustment.

The funds for adjustments are limited to the amount appropriated by the Legislature for that purpose. Funded at $500,000 in FY2025. The recommended amount for FY2026 is $100,000

Description:	Comments & FMI:
A school administrative unit is eligible for additional state subsidy if: (1) the additional costs are the result of a student being an approved transfer or the student became the fiscal responsibility of the school administrative unit after the passage of that unit's budget for the current fiscal year (2) The school administrative unit's unexpected allowable costs result in a 5% or more increase in the percentage of the unit's special education budget category to the unit's total budget excluding the debt service budget category.	This law ensures students receive education no matter where they live and attend school. For more information about education and students with special needs, see: https://drme.org/resources/know-your-rights/childrens-education-rights/ Charter schools are the most common beneficiary of this adjustment.

Multilingual learner hardship adjustment

Per Title 20-A, §15689, English learner budgetary hardship adjustment, Subsection 16: English learner budgetary hardship adjustment.

The funds for adjustments under paragraph A are limited to the amount appropriated by the Legislature for that purpose. Currently set at $500,000

Description:	Comments & FMI:
A school administrative unit is eligible for additional state subsidy if: (1) The increased student enrollment is a result of a student's becoming the fiscal responsibility of the unit after the passage of the annual budget for the current fiscal year (2) The unit's unexpected enrollment increase results in an increase of 3% or more in English learner weighted allocation. The adjustment amount is equal to the weighted amount for the increased number of multilingual students (ML weight*the number of new enrollments) multiplied by the unit's state share percentage (unless their state share is below the statewide state share, in which case, the unit gets that share).	For more information, see: https://www.maine.gov/doe/funding/reports/EML

Targeted Education Funds - formerly Misc. Costs (§15689-A)[88]

Special education costs for state agency clients and state wards

15689-A. Authorization of payment of targeted education funds, sub-section 1: Payment of state agency client costs.

FY2025 $28.4M; the recommended amount for FY2026 is $26M

Description:	**Comments & FMI:**
The state pays 100% of all approve special education costs and supportive services, including transportation, for all state agency clients placed in residential facility by an authorized agent of a state agency. A state agency client is defined broadly as a child of eligible school age who is in the care or custody of DHHS, or who has been placed by DHHS, for non-educational reasons, with a person who is not the child's parent, legal guardian or relative or in a residential facility (foster homes, group homes, residential treatment centers, etc.). School units that have residential placement facilities within their boundaries are responsible for the delivery of special education services to students residing in these facilities. The district oversees the delivery of services to these students, and the state pays 100 percent of the cost. While the state covers all the costs and pays the provider agency or person directly, the district is responsible for reviewing the charges first, in order to ensure the state is covering treatment costs consistent with the student's IEP.	For more information: https://www.mainelegislature.org/legis/statutes/20-a/title20-Asec15689-A.html https://mainedoenews.net/2015/05/07/special-services-invoicing-procedure-for-state-agency-clients/ https://schoollaw.com/wp-content/uploads/2014/02/765-State-agency-client-payments-ERH-PWA-Winter-2014.pdf

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[88] https://www.mainelegislature.org/legis/statutes/20-a/title20-Asec15689-A.html

Essential Programs & Services components contract

15689-A. Authorization of payment of targeted education funds, sub-section 3: Essential programs and services components contract.

FY2025 $250,000

Description:	Comments & FMI:
The Maine DOE pays to contract the services of a statewide education research institute. The purpose of this contract is to provide to the Maine DOE and the legislature ongoing analysis of the EPS funding formula as well as education research and evaluation services.	The Maine Education Policy Research Institute (MEPRI) provides policymakers with objective data, policy research and evaluation to define and assess educational needs, services and impacts. The Institute was established by the Legislature in 1995 and conducts work for the legislature's Joint Standing Committee on Education and Cultural Affairs and for the Maine Department of Education. For more information, see: https://mepri.maine.edu/ https://digitalcommons.usm.maine.edu/mepri/ https://www.maine.gov/doe/funding/gpa/eps/reports

Data management & support services for EPS

15689-A. Authorization of payment of targeted education funds, sub-section 10: Data management and support services for essential programs and services.

$11M in FY2025

$10M recommended for FY2026

Description:	Comments & FMI:
These are the funds allocated to pay costs attributed to system maintenance and staff support positions that provide professional and administrative support for local schools necessary to implement the requirements of the Essential Programs and Services Funding Act.	See, for example: https://www.maine.gov/doe/data-reporting

Post-secondary course payments (Aspirations program)

§15689-A. Authorization of payment of targeted education funds, Section 11: Courses for credit at eligible postsecondary institutions.

$5.5M all years

Description:	Comments & FMI:
The Aspirations Program allows publicly funded high school students and registered home-instruction students to take up to 12 credits of college classes per year, tuition-free. Participating institutions (University of Maine System, Maine Community College System and the Maine Maritime Academy) waive most student fees and a portion of tuition costs; the state pays the balance.	The Aspirations Program is funded by the Maine Legislature and authorized under Title 20-A, Chapter 208-A. The program is administered by the Maine Department of Education. https://www.mainelegislature.org/legis/statutes/20-a/title20-Ach208-Asec0.html For more information, see: https://www.maine.gov/doe/learning/highered/earlycollege/eligibility https://www.mainelegislature.org/legis/statutes/20-A/title20-Asec4772.html https://ghs.gorhamschools.org/o/ghs/article/2084505

Learning Through Technology Program (LTT)

§15689-A. Authorization of payment of targeted education funds, Section 12A: Learning Through Technology.

The enacted amount in FY2025 was $9M, down from $14M in the years 2022, 2023 and 2024. The recommended amount for FY2026 is $14M

Description:	Comments & FMI:
This funds the Maine Learning Technology Initiative (MLTI) program housed within the Maine DOE. The program provides professional and administrative staff support, professional development and training, and system maintenance so that schools can provide up-to-date learning through technology. The initiative also funds Maine "laptop program", which provides one-to-one wireless computers for all students attending public schools starting in the 7th grade.	The overarching goal of the Maine Learning Technology Initiative is to support the attainment of Maine's college and career readiness standards. Its five operational goals are equity; integration with Maine's Learning Results; sustainability/avoiding obsolescence; teacher preparation and professional development; and economic development. For more information, see: https://www.maine.gov/doe/learning/technology/MLTI

Jobs for Maine Graduates (JMG)

§15689-A. Authorization of payment of targeted education funds, Section 13: Jobs for Maine's Graduates.

$3.88M in FY2025, which is consistent with years prior.
Same recommended for FY2026.

Description:	Comments & FMI:
Jobs for Maine Graduates (JMG) is a nonprofit entity created by the Legislature and tasked with helping to prevent drop-out and provide school-to-work transition services to schools and students throughout the State.	Title 20-A, Chapter 226: JOBS FOR MAINE'S GRADUATES:
	https://www.mainelegislature.org/legis/statutes/20-A/title20-Ach226sec0.html
The law dictates that JMG works in coordination with the private sector, Maine's university system and community colleges, community and regional agencies and State Government.	For more information on Jobs for Maine Graduates, see:
	https://jmg.org/about-jmg
JMG offers support and services to assist Maine students graduate from high school, obtain post-secondary credentials and skills training, and select careers and transition into jobs.	

Maine School for Science and Mathematics (MSSM)

§15689-A. Authorization of payment of targeted education funds, Section 14: Maine School of Science and Mathematics.

Same amount every year: $3,615,347

Description:	Comments & FMI:
The Maine School of Science and Mathematics is a public residential magnet high school established by the Legislature for the purpose of providing high-achieving high school students with a more challenging educational experience than they might otherwise receive in regular public schools.	Title 20-A, Chapter 312: MAINE SCHOOL OF SCIENCE AND MATHEMATICS:
	https://www.mainelegislature.org/legis/statutes/20-A/title20-Ach312sec0.html
Students from Maine attend the school free of tuition charges and free of the cost of room and board. Students from outside of Maine may attend the school on a space-available basis by paying the cost of tuition, fees and room and board as established by the board of trustees.	The school is primarily funded by the Maine Legislature through the state's General Purpose Aid budget. The school also receives funding from the MSSM foundation.
	https://www.mssm.org/foundation
The school must demonstrate its ability to raise private funds to support a scholarship fund. Based on this ability, the Legislature may provide General Fund appropriations to the scholarship fund. Funds available in the scholarship fund may not be used to offset, reduce or eliminate the appropriation of state funds disbursed by the commissioner.	For more information about the Maine School of Math and Science, see:
	https://www.mssm.org/

ME Ctr. for the Deaf & Hard of Hearing (MECDHH)

§15689-A. Authorization of payment of targeted education funds, Section 15: Maine Educational Center for the Deaf and Hard of Hearing and the Governor Baxter School for the Deaf

FY2025: $9,758,979 Hasn't changed much from previous years

Description:	Comments & FMI:
The MECDHH provides and coordinates statewide education and family services including site-based programs, consultation, evaluation and specially designed instruction. Schools receive services and assistance from the center for their deaf and HOH students. These services are free to schools. In addition to providing mainstream programs within school systems, the Center also runs a preschool program at the school located on Mackworth Island in Portland. Students from Maine may attend the Mackworth Island preschool free of tuition. The Maine DOE provides funds for the Maine Educational Center for the Deaf and Hard of Hearing and the Governor Baxter School for the Deaf in accordance with provisions of chapter 304.	Title 20-A, Chapter 304: MAINE EDUCATIONAL CENTER FOR THE DEAF AND HARD OF HEARING AND THE GOVERNOR BAXTER SCHOOL FOR THE DEAF https://www.mainelegislature.org/legis/statutes/20-A/title20-Ach304sec0.html A list of the services for which schools and the center are responsible for providing deaf and HOH students are listed here: https://www.mainelegislature.org/legis/statutes/20-A/title20-Asec7405-D.html For more information about the Maine Educational Center for the Deaf and Hard of Hearing and the Governor Baxter School for the Deaf, see: https://www.mecdhh.org/

Transportation administration PG 18

§15689-A. Authorization of payment of targeted education funds, Section 16: Transportation administration

$521,035 in FY2025, down from $666,220 in FY2024

Description:	Comments & FMI:
These funds pay the costs of the Transportation Department housed within the Maine DOE. The MDOE Transportation Department provides professional and administrative staff support and system maintenance to districts to help them implement the transportation requirements of chapter 215. The MDOE Transportation Department provides information to schools and works with Superintendents and the Legislature to ensure safe and efficient transportation for school children. The department develops policy, operations, programs, and training as well as collects data to track and report trends in school transportation.	For more information on the Maine DOE's Department of Transportation, see: https://www.maine.gov/doe/schools/transportation Title 20-A, Chapter 215: TRANSPORTATION requirements: https://www.mainelegislature.org/legis/statutes/20-A/title20-Ach215sec0.html

Special education & coordination for juvenile offenders

§15689-A. Authorization of payment of targeted education funds, Section 17: Special education and coordination of services for juvenile offenders.

$407,999 - Every year

Description:	Comments & FMI:
These funds support education services provided to juvenile offenders at the youth development center in South Portland. The Maine DOE provides the Long Creek Youth Development Center General Fund account within the Department of Corrections, funding sufficient to support 2 Teacher positions, one Education Specialist II position and one Office Associate II position	For more information about the Long Creek Youth Development Center: https://www.maine.gov/corrections/longcreek

Comprehensive early college programs funding (bridge year program)

§15689-A. Authorization of payment of targeted education funds, Section 23: Comprehensive early college programs.

$1M, same every year

Description:	Comments & FMI:
The Maine DOE provides funding to support early college programs that: A. Provide secondary students with the opportunity to graduate from high school in 4 years with a high school diploma and at least 30 regionally accredited transferable postsecondary credits allowing for completion of an associate degree within one additional year of postsecondary schooling; B. Involve a high school, a career and technical education center or region and one or more institutions of higher education; C. Organize students into cohort groups and provide them with extensive additional guidance and support throughout the program with the goals of raising aspirations, increasing employability and encouraging postsecondary degree attainment; and D. Maintain a focus on serving students who might not otherwise pursue a postsecondary education.	Bridge programs are to help students transition to higher education or specific career paths by providing support and skills development. More information on "bridge" programs: https://umaine.edu/iei/academic-programs/bridge/ https://gradschool.unh.edu/admissions/bridge-programs https://ies.ed.gov/ncee/wwc/Intervention/824

Community schools

§15689-A. Authorization of payment of targeted education funds, Section 25: Community schools.

$250,000 most years

Description:	Comments & FMI:
The Maine DOE provides funding to support the establishment of community schools in accordance with the provisions of chapter 333.	Title 20-A, Chapter 333: COMMUNITY SCHOOLS
	https://www.mainelegislature.org/legis/statutes/20-A/title20-Ach333sec0.html
A community school is a public school that acts as both an educational institution and a community-service hub, offering a wide range of services and resources to support students, families and the community beyond traditional academic instruction.	For more information on the community school model, see:
	https://www.nea.org/student-success/great-public-schools/community-schools/what-are-they
A community school collaborates with community partners to provide services to students, families and community members that promote student success while addressing the needs of the whole student, including medical, dental and mental health services, legal services, nutrition education, child care, programs that promote parent involvement in schools, parenting skill and family literacy, parent leadership development, programs to reduce absenteeism, adult education and ESL classes, summer and after-school enrichment activities, youth and adult job training and internships, etc.	

Enhancing Student Performance and Opportunity (§15688-A)[89]

College Transitions Program: adult education college readiness programs

§15688-A. Enhancing student performance and opportunity; costs. Sub-section 2: College transitions programs.

$450,000 every year

Description:	Comments & FMI:
These funds go to the Maine College and Career Access (MCCA) program housed within the Maine DOE. The program provides college and job training transition services through the State's adult education system.	For more information about the Maine College and Career Access (MCCA) program, see:
	https://www.maine.gov/doe/learning/adulted/transitions
	For more information on Maine's Adult Education system, see:
	https://www.maine.gov/doe/learning/adulted
	For more information on college readiness and transitions, see:
	https://lincs.ed.gov/publications/pdf/CCRStandardsAdultEd.pdf

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[89] https://legislature.maine.gov/statutes/20-A/title20-Asec15688-A.html

Career and technical education costs

§15688-A. Enhancing student performance and opportunity; costs. Sub-section 1: Career and technical education program components.

$72.2M in FY2025

Has increased steadily: FY2022: $58.5M, FY2023: $62.3M, FY2024: $66.7M, FY2025: $72.2

FY2026: $76.3 (recommended)

Description:	Comments & FMI:
This is the operational funding for CTEs. It funds both CTE Centers and CTE Regional programs per the CTE funding formula.	Title 20-A, Chapter 313: CAREER AND TECHNICAL EDUCATION.
A CTE center is a school within a School Administrative Unit (SAU) that operates regular schools as well. It operates under the SAU superintendent and within the SAU budget. Other member SAUs also send their students to a CTE center, and may or may not pay assessments to the SAU that operates the center.	https://legislature.maine.gov/statutes/20-A/title20-Ach313sec0.html For more information on the CTE funding model, see:
A CTE region operates independently from any SAU, with its own board and its own budget. Member SAUs send their students to the CTE region and pay assessments to the region.	https://www.maine.gov/doe/sites/maine.gov.doe/files/inline-files/School%20Finance%20-%20FY25%20CTE%20%20Model%20Parameter%20Notes%20-%201.18.2024.pdf
CTE regions and centers are both funded ultimately by local, state, and federal sources. All CTE schools receive federal funding, including Perkins grants, directly to the school. However, regions and centers receive their state and local funding via different routes. Regions receive their state and local funding by charging	https://www.maine.gov/doe/sites/maine.gov.doe/files/inline-files/CTEModel_2017Final_Updated.pdf https://www.maine.gov/doe/sites/maine.gov.doe/files/inline-files/Final_Report_on_New_CTE_Funding_Model_Alignment_032719.pdf
assessments to their member SAUs. Region member SAUs have a CTE allocation as part of the calculation of their funding. In centers, the CTE allocation is in the operating SAU's funding calculation, not the members'	For more information on Maine's community college system, see: https://www.mccs.me.edu/
The allocation for CTEs is based upon a model that recognizes program components that have been approved by the department pursuant to chapter 313 for: direct instruction (teachers, ed techs and clinical supervision staff); central administration (director, assistant director, clerical staff); student and staff support (guidance, technology, co-curricular programming, professional development, safety, and transportation for students); supplies; plant operation and maintenance; and assessment.	https://www.mccs.me.edu/about-mccs/system-info/history-mission/
Funding is based on enrollment, except for supplies and equipment which are in part program specific and based on expenditures. In addition, there must be at least one full FTE for most types of staff position.	

Career and technical education costs -middle school

§15688-A. Enhancing student performance and opportunity; costs. Sub-section 8: Projects for middle school career and technical education exploration.

$500,000, annually starting in SY2024.

Description:	
These funds are given to CTEs to support programs targeting middle school students.	

Career and technical education early childhood program expansion

§15688-A. Enhancing student performance and opportunity; costs. Sub-section 10: Career and technical education early childhood education program expansion support.

$100,000, annually starting in SY2023.

Description:	Comments & FMI:
These funds are given to CTEs to expand or develop early childhood education programs.	https://www.maine.gov/doe/funding/gpa/eps/24-25

National industry standards for career & technical education

§15688-A. Enhancing student performance and opportunity; costs. Sub-section 6:

National industry standards for career and technical education.

The funding enacted in FY2025 was $2M.

It's $2M every year.

Description:	Comments & FMI:
This is funding for CTEs above the operational funding.	Title 20-A, Chapter 313: CAREER AND TECHNICAL EDUCATION.
The Maine DOE provides these funds to support enhancements to CTE programs that align those programs with national industry standards, in accordance with chapter 313.	https://legislature.maine.gov/statutes/20-A/title20-Ach313sec0.html
The funds are to be used to assist CTE centers in attaining national industry certification, including equipment upgrades, staff training, new student assessments	

APPENDICES

Appendix A

Summary of Stakeholder Feedback

Overview of Stakeholder Feedback to Date

Updated April 2, 2025

Stakeholders included:

Maine School Management Association (MSSA / MSBA)

Maine Association of School Business Officers (MeASBO)

Maine Administrators of Services for Children with Disabilities (MADSEC)

Members of the public who contacted us directly

- The concepts of "essential" and "adequate" are not explicitly defined and are therefore subjective. Expectations have evolved since 2005 when EPS was implemented.

- EPS is not always well understood. Superintendents or school board members may not be aware of the original intent of EPS or its underlying assumptions, creating messaging and strategic prioritization challenges for them.
    - Some stakeholders asked for explicit statements about what the model is intended to incentivize and what its goals are.
    - Clear communication of what EPS deems is "essential" and the assumptions underlying the model would provide support for school board members in particular when speaking with their communities.
    - Schools that don't conform to EPS's prototypical school assumptions can be challenged to communicate why they need to raise more than EPS to provide a "bare bones" education.
    - School boards/communities have perceived it to be the district's/board's fault when they can't fund their schools adequately without raising over EPS, and this has contributed to a sense of confusion and powerlessness.
    - "Make it clear to our communities why *(our budget)* will never be in alignment."

- EPS cost model does not reflect the current reality for the breadth of educational services that schools are now expected to provide.
    - District responsibilities and costs have increased, even since FY23 (last data available) per fall 2024 superintendents' feedback.
    - There has been an increase in positions not included in EPS but deemed necessary to support students (mental health and health services, and MTSS).

- Schools have also increased staff supports (instructional coaches, mentoring, professional development, etc.). These needs are heightened in districts with more inexperienced or under-credentialed staff.
    - It fails to address the more intense needs of "service center" towns.
    - Homeless student costs are rising sharply. Needs are more intense than economic disadvantage, and perhaps more than Multilingual Learners.
    - School board members said they would "rather have 55% of what I really need than 65% of what is not enough."
- Rising education costs are straining property tax payers.
    - Many superintendents feel extreme pressure to cut costs.
    - Property values are not always an accurate measure of local homeowner ability to pay. Some districts' valuation has risen sharply but not all taxpayers' income has increased.
    - Combination of increase in out-of-state property owners, shift from middle class to sharp income and wealth divides, and declining enrollment in many areas put unique pressures on local budgets. Wealthy second-home owners may wield influence over budget development before voting even occurs, but they do not suffer the consequences of poorly funded schools.
    - 55% did not solve local tax burden concerns; there is a desire for a higher target, especially since amounts budgeted above EPS are all paid locally. However, it is important to stakeholders that the cost model is accurate first.
    - There is a strong interest in examination of other methods, including income, in determining a district's contribution to education costs. Methods should not let wealthy property owners or out-of-state second-home owners "off the hook."

- EPS assumptions do not align with rural school district realities.
    - "How does EPS factor in small town emotions?" Schools are often the center of community identity, leading rural towns to prefer to have their own school, regardless of their proximity to other rural towns.
    - The model financially incentivizes building consolidation for efficiency, but RSUs risk towns withdrawing from the RSU when discussions begin about closing their school. Town withdrawals negate the financial benefit to the SAU and to Maine's total cost of education.
    - "Stats don't address the human aspect of what is going on in our towns and what we have to juggle."
    - "It can be two hours from one end of the district to another."
    - EPS staff ratios are based on total SAU enrollment, but SAUs with schools spread far apart struggle with FTE staff allocations to be shared among schools. "Sharing ½ a nurse across buildings doesn't work."

- Quality for Maine students relies on individual towns' commitment to education.
    - Demographic trends within geography and average age of taxpayers play a role.
    - Ability to pay is not always aligned with willingness to pay.

- ○ Pride in "not spending over EPS" vs. pride in robust program offerings creates unequal and inequitable access to education experiences across the state.

- Some taxpayers in RSUs see "unequal payment for the same services" as problematic. The current EPS funding formula raises the question of "whose kids" individual property owners are paying to educate.

- SPED costs are highly unpredictable and costly.
  - ○ The unpredictability is acute in small districts; one family moving into a district can wreak havoc on a budget.
  - ○ Many students are going without services, especially in rural areas.
  - ○ Two examples of suggestions across superintendent groups:
    - ■ 100% state funding for SPED, outside of EPS.
    - ■ Regional behavior programs
      - "How far is too far" for students to travel to regional programs on a daily basis? Travel times that are acceptable for high school students may be too long for younger students.

- Regional salary adjustments are perceived to be inadequate in lower-salary areas.
  - ○ Most small and rural schools are given the same ratios as larger districts. *(This is the case except when they are geographically isolated, otherwise known as "small by circumstance.")*
  - ○ They have lower housing costs but the same or higher costs in other areas.

- Staffing
  - ○ Salaries are inadequate to attract and retain staff at all levels for poorer districts.
  - ○ Intense competition for staff between neighboring districts can lead to "upward spiraling" of salaries.
  - ○ Statewide salary scales with locally negotiated elements could help.

- Regional Collaboration
  - ○ Nearly 100% of superintendents see benefits of a regional approach to SPED and professional development for teachers. More efficient and better quality overall.
  - ○ However, resources are scarce. "We can't share what we don't have." Relatively wealthier districts will not necessarily want to work regionally because with the status quo they can attract a higher proportion of the few resources.
  - ○ Major challenges with regionalization are initiation and implementation.
    - ■ State leadership is necessary. "We can't do this alone, we just can't."
    - ■ Superintendents would be relieved, but some locals may not agree.
    - ■ Staffing shortages and transportation distances are among the biggest concerns.

- Superintendents want to see statewide prioritization conversations so policy decisions can be made for long term stable support for all students and communities.

- ○ Reexamine what is considered adequate and make sure it is always provided, in all districts, not reliant on local taxpayer decisions.
- ○ Superintendents know if they "win," others "lose." This decreases collaboration. They want "no winners and no losers."

Appendix B

Town-Level Ability to Pay Data

Town	Student count avg	Prop valuation SY20	Local required share	Local mil rate after	State subsidy after	Percent state subsidy share	Median household income	Median home value	Number House-holds	Property val per household	Median Home-owner EPS Tax	Median EPS tax as % of income
Abbot	61	72,283,333	598,506	8.3	61,335	9%	48,868	112,950	310	233,172	935	1.9%
Acton	325	552,150,000	3,383,600	6.1	270,759	7%	69,508	264,833	1,130	488,772	1,623	2.3%
Addison	124	137,850,000	1,141,398	8.3	250,266	18%	46,006	155,635	529	260,586	1,289	2.8%
Albion	248	129,816,667	1,074,882	8.3	1,640,635	60%	52,153	145,620	868	149,616	1,206	2.3%
Alexander	59	54,300,000	449,604	8.3	221,017	33%	51,255	151,000	232	234,557	1,250	2.4%
Alfred	351	273,733,333	2,266,512	8.3	1,891,697	45%	61,493	285,833	1,271	215,425	2,367	3.8%
Alna	114	79,533,333	658,536	8.3	591,605	47%	74,471	224,375	282	282,033	1,858	2.5%
Andover	65	77,300,000	640,044	8.3	79,920	11%	47,053	135,400	424	182,455	1,121	2.4%
Anson	315	130,783,333	1,082,886	8.3	3,190,339	75%	46,500	71,967	1,056	123,809	596	1.3%
Appleton	147	87,412,370	723,774	8.3	1,015,495	58%	56,663	203,098	558	156,559	1,682	2.9%
Appleton2	65	38,570,963	319,368	8.3	507,308	61%	56,663	203,098	558	69,082	1,682	3.0%
Arrowsic	36	90,516,667	416,379	4.6	73,146	15%	75,000	356,000	214	422,975	1,638	2.2%
Arundel	595	451,583,333	3,739,110	8.3	3,548,540	49%	68,371	347,833	1,668	270,788	2,880	4.2%
Ashland	200	86,500,000	716,220	8.3	2,676,774	79%	43,421	85,000	546	158,425	704	1.6%
Athens	164	73,283,333	606,786	8.3	1,248,544	67%	35,192	94,000	400	183,208	778	2.2%
Auburn	3592	1,975,250,000	16,355,070	8.3	25,648,661	61%	52,085	174,317	9,818	201,187	1,443	2.8%
Augusta	2191	1,535,066,667	12,710,352	8.3	13,047,384	51%	46,815	152,500	8,636	177,752	1,263	2.7%
Baileyville	244	240,250,000	1,989,270	8.3	708,513	26%	48,182	86,500	604	398,094	716	1.5%
Baldwin	193	151,333,333	1,253,040	8.3	1,054,676	46%	62,308	186,633	630	240,085	1,545	2.5%
Bangor	3517	2,557,566,667	21,176,652	8.3	19,194,475	48%	43,601	161,787	14,257	179,386	1,340	3.1%
Bar Harbor	344	944,466,040	3,541,860	3.8	545,467	13%	57,305	403,833	2,647	356,761	1,514	2.6%
Bar Harbor2	202	584,037,160	2,273,253	3.9	305,984	12%	57,305	403,833	2,647	220,613	1,572	2.7%
Bath	1076	926,350,000	7,670,178	8.3	7,186,056	48%	46,009	208,333	3,839	241,279	1,725	3.7%
Beaver Cove	3	64,750,000	26,910	0.4	809	3%	60,526	320,000	98	660,714	133	0.2%
Belfast	789	837,650,000	6,935,742	8.3	3,902,926	36%	51,490	239,250	3,164	264,744	1,981	3.8%
Belgrade	430	611,350,000	4,786,204	7.8	(0)	0%	71,754	248,150	1,264	483,663	1,943	2.7%
Belmont	147	66,316,667	549,102	8.3	1,470,661	73%	47,374	190,250	410	161,748	1,575	3.3%
Benton	337	196,950,000	1,630,746	8.3	2,069,174	56%	52,875	149,800	1,103	178,505	1,240	2.3%
Berwick	1379	601,400,000	4,979,592	8.3	11,226,789	69%	78,885	271,833	3,018	199,249	2,251	2.9%
Bethel	326	439,600,000	3,297,047	7.5	429,447	12%	56,582	240,450	1,116	393,789	1,803	3.2%
Biddeford	2435	2,259,466,667	18,708,384	8.3	11,327,378	38%	56,561	275,233	8,761	257,910	2,279	4.0%
Bingham	106	61,800,000	511,704	8.3	809,159	61%	39,196	82,000	421	146,793	679	1.7%
Blue Hill	405	679,100,000	4,020,153	5.9	314,844	7%	53,511	275,892	1,326	512,142	1,633	3.1%
Boothbay	284	961,250,000	3,131,786	3.3	346,543	10%	65,166	326,000	1,390	691,713	1,062	1.6%
Boothbay Ha	136	744,433,333	1,496,925	2.0	165,640	10%	46,670	293,637	1,099	677,579	590	1.3%
Bowdoin	454	230,583,333	1,909,230	8.3	4,043,497	68%	65,030	254,833	1,194	193,118	2,110	3.2%
Bowdoinham	405	254,816,667	2,109,882	8.3	3,197,597	60%	66,743	251,833	1,209	210,766	2,085	3.1%
Bradford	165	62,500,000	517,500	8.3	1,564,208	75%	50,205	155,000	490	127,551	1,283	2.6%

Town	Student count avg	Prop valuation SY20	Local required share	Local mil rate after	State subsidy after	Percent state subsidy share	Median household income	Median home value	Number House-holds	Property val per household	Median Home-owner EPS Tax	Median EPS tax as % of income
Bradley	212	110,750,000	917,010	8.3	1,535,826	63%	56,147	140,000	641	172,867	1,159	2.1%
Bremen	31	69,154,677	364,795	5.3	42,487	10%	64,470	295,333	377	183,434	1,558	2.4%
Bremen2	56	125,361,990	637,023	5.1	0	0%	64,470	295,333	377	332,525	1,501	2.3%
Brewer	1402	720,416,667	5,965,050	8.3	11,444,231	66%	58,997	166,800	4,175	172,569	1,381	2.3%
Bridgton	638	969,616,667	6,294,884	6.5	1,118,059	15%	57,971	217,300	2,455	394,902	1,411	2.4%
Bristol	273	968,600,000	3,118,598	3.2	319,841	9%	62,661	308,100	1,337	724,458	992	1.6%
Brooklin	84	343,450,000	957,288	2.8	68,803	7%	51,652	393,017	400	859,341	1,095	2.1%
Brooks	133	69,866,667	578,496	8.3	1,224,345	68%	36,800	182,500	468	149,288	1,511	4.1%
Brooksville	96	427,083,333	1,012,568	2.4	94,280	9%	75,476	324,250	447	954,732	769	1.0%
Brownfield	222	182,916,667	1,514,550	8.3	1,620,047	52%	57,326	222,483	701	260,813	1,842	3.2%
Brownville	169	52,600,000	435,528	8.3	1,796,072	80%	37,026	79,067	457	115,182	655	1.8%
Brunswick	2298	2,173,016,667	17,992,578	8.3	10,976,846	38%	67,592	296,000	8,933	243,266	2,451	3.6%
Buckfield	280	122,950,000	1,018,026	8.3	2,465,584	71%	44,882	164,167	818	150,367	1,359	3.0%
Bucksport	659	427,850,000	3,542,598	8.3	4,701,045	57%	46,718	156,167	2,122	201,594	1,293	2.8%
Burlington	48	35,800,000	296,424	8.3	187,555	39%	44,081	71,875	171	209,971	595	1.4%
Burnham	161	91,150,000	754,722	8.3	991,224	57%	39,472	143,000	538	169,529	1,184	3.0%
Buxton	1120	764,200,000	6,327,576	8.3	7,273,286	53%	80,177	265,331	3,265	234,058	2,197	2.7%
Calais	419	171,300,000	1,418,364	8.3	3,685,688	72%	39,033	94,833	1,288	132,962	785	2.0%
Camden	378	701,255,025	3,766,084	5.4	456,174	11%	61,609	384,700	2,519	278,349	2,066	3.4%
Camden2	209	447,432,300	2,476,861	5.5	194,249	7%	61,609	384,700	2,519	177,599	2,130	3.5%
Canaan	372	115,183,333	953,718	8.3	3,997,453	81%	47,607	160,750	906	127,181	1,331	2.8%
Canton	124	58,500,000	484,380	8.3	1,069,203	69%	48,375	140,000	389	150,386	1,159	2.4%
Cape Elizabe	1590	1,912,366,667	15,834,396	8.3	1,653,599	9%	115,618	567,667	3,727	513,112	4,700	4.1%
Caribou	1024	373,500,000	3,092,580	8.3	11,322,487	79%	43,226	106,483	3,240	115,290	882	2.0%
Carmel	407	173,750,000	1,438,650	8.3	2,707,014	65%	65,363	198,000	1,165	149,142	1,639	2.5%
Carrabassett	44	586,250,000	449,487	0.8	36,263	7%	76,251	312,958	412	1,421,787	240	0.3%
Casco	440	641,850,000	4,336,652	6.8	770,250	15%	61,567	241,167	1,652	388,451	1,629	2.6%
Castine	63	287,100,000	639,811	2.2	50,164	7%	55,061	390,917	368	780,870	871	1.6%
Charleston	170	67,150,000	556,002	8.3	1,269,982	70%	57,099	127,000	464	144,720	1,052	1.8%
Charlotte	53	27,600,000	228,528	8.3	461,960	67%	53,125	171,000	161	171,429	1,416	2.7%
Chelsea	416	160,366,667	1,327,836	8.3	4,341,966	77%	62,309	180,383	1,059	151,480	1,494	2.4%
Cherryfield	143	87,800,000	726,984	8.3	570,886	44%	45,082	137,725	576	152,431	1,140	2.5%
Chesterville	194	99,400,000	823,032	8.3	1,770,661	68%	46,140	173,875	547	181,885	1,440	3.1%
China	648	404,366,667	3,348,156	8.3	3,797,244	53%	55,369	195,000	1,779	227,343	1,615	2.9%
Clifton	104	74,033,333	612,996	8.3	507,358	45%	54,021	161,750	358	206,797	1,339	2.5%
Clinton	504	192,350,000	1,592,658	8.3	3,934,798	71%	50,864	138,000	1,406	136,807	1,143	2.2%
Coplin Plt.	18	39,516,667	149,386	3.8	6,352	4%	77,500	220,900	68	581,127	835	1.1%
Corinna	302	111,516,667	923,358	8.3	3,144,992	77%	45,566	121,500	959	116,284	1,006	2.2%
Corinth	386	143,350,000	1,186,938	8.3	3,682,655	76%	55,829	141,667	1,111	129,067	1,173	2.1%
Cornish	187	133,200,000	1,102,896	8.3	1,132,741	51%	47,914	184,833	650	205,028	1,530	3.2%
Cornville	165	87,383,333	723,534	8.3	1,477,699	67%	60,757	157,250	523	167,241	1,302	2.1%

Town	Student count avg	Prop valuation SY20	Local required share	Local mil rate after	State subsidy after	Percent state subsidy share	Median household income	Median home value	Number House-holds	Property val per household	Median Home-owner EPS Tax	Median EPS tax as % of income
Cumberland	1346	1,193,483,333	9,882,042	8.3	7,262,457	42%	127,847	457,000	3,036	393,154	3,784	3.0%
Cushing	187	297,800,000	2,369,695	8.0	(0)	0%	55,006	294,167	655	454,425	2,341	4.3%
Dallas Plt.	21	128,583,333	264,514	2.1	24,372	8%	50,192	219,333	137	940,854	451	0.9%
Damariscotta	90	115,832,138	959,090	8.3	319,097	25%	54,914	281,402	1,047	110,668	2,330	4.2%
Damariscotta	174	227,434,528	1,883,158	8.3	113,983	6%	54,914	281,402	1,047	217,294	2,330	4.2%
Danforth	92	56,200,000	465,336	8.3	843,942	64%	37,283	115,000	240	234,167	952	2.6%
Dayton	335	217,066,667	1,797,312	8.3	2,204,039	55%	85,921	310,550	766	283,254	2,571	3.0%
Dedham	253	237,783,333	1,968,846	8.3	533,267	21%	74,158	236,967	811	293,318	1,962	2.6%
Deer Isle	200	493,566,667	2,349,621	4.8	536,488	19%	55,521	278,543	981	503,126	1,326	2.4%
Denmark	132	278,600,000	1,734,960	6.2	121,991	7%	60,673	239,250	504	552,412	1,490	2.5%
Dexter	518	219,000,000	1,813,320	8.3	5,638,393	76%	37,483	102,500	1,576	138,930	849	2.3%
Dixfield	370	147,233,333	1,219,092	8.3	3,428,548	74%	40,028	91,250	1,012	145,440	756	1.9%
Dixmont	123	85,266,667	706,008	8.3	908,869	56%	55,120	140,238	480	177,824	1,161	2.1%
Dover Foxcro	646	301,233,333	2,494,212	8.3	4,443,269	64%	44,807	117,233	1,748	172,330	971	2.2%
Dresden	176	135,966,667	1,125,804	8.3	966,680	46%	71,314	224,000	699	194,516	1,855	2.6%
Durham	600	376,000,000	3,113,280	8.3	4,783,501	61%	78,918	293,833	1,503	250,222	2,433	3.1%
Eagle Lake	81	85,066,667	704,352	8.3	196,913	22%	40,466	145,000	387	219,811	1,201	3.0%
East Machias	238	89,216,667	738,714	8.3	1,535,383	68%	46,062	147,500	560	159,221	1,221	2.7%
East Millinock	194	65,250,000	540,270	8.3	1,455,491	73%	41,007	51,667	723	90,249	428	1.0%
Easton	177	258,100,000	1,886,214	7.3	137,314	7%	45,139	103,500	517	499,226	756	1.7%
Eastport	113	141,950,000	1,031,311	7.3	164,347	14%	35,559	126,483	665	213,566	919	2.6%
Eddington	284	169,666,667	1,404,840	8.3	1,649,277	54%	61,451	181,000	880	192,876	1,499	2.4%
Edgecomb	149	219,833,333	1,708,429	7.8	224,632	12%	62,091	274,017	527	417,141	2,130	3.4%
Eliot	882	918,283,333	7,603,386	8.3	2,478,582	25%	88,931	384,083	2,658	345,479	3,180	3.6%
Ellsworth	1150	1,049,450,000	8,689,446	8.3	6,462,233	43%	54,977	205,333	3,523	297,885	1,700	3.1%
Embden	100	205,850,000	1,335,748	6.5	20,714	2%	54,252	181,817	491	419,531	1,180	2.2%
Enfield	189	149,150,000	1,234,962	8.3	978,701	44%	50,996	85,917	639	233,290	711	1.4%
Etna	182	70,683,333	585,258	8.3	1,798,130	75%	51,405	167,625	506	139,829	1,388	2.7%
Eustis	59	163,033,333	714,566	4.4	64,373	8%	33,857	158,500	337	483,778	695	2.1%
Fairfield	955	380,833,333	3,153,300	8.3	7,327,564	70%	48,540	132,731	2,768	137,601	1,099	2.3%
Falmouth	2110	2,330,850,000	19,299,438	8.3	8,280,180	30%	115,905	562,833	4,725	493,302	4,660	4.0%
Farmingdale	421	212,166,667	1,756,740	8.3	3,625,829	67%	43,396	176,667	1,254	169,237	1,463	3.4%
Farmington	876	450,016,667	3,726,138	8.3	7,985,403	68%	43,427	150,750	3,001	149,939	1,248	2.9%
Fayette	151	162,500,000	1,345,500	8.3	100,990	7%	68,164	225,417	494	328,726	1,866	2.7%
Fort Fairfield	484	172,400,000	1,427,472	8.3	3,946,926	73%	41,629	102,667	1,382	124,777	850	2.0%
Fort Kent	522	247,500,000	2,049,300	8.3	3,673,127	64%	43,665	123,750	1,663	148,798	1,025	2.3%
Franklin	188	174,500,000	1,444,860	8.3	708,693	33%	41,373	166,467	671	260,060	1,378	3.3%
Freedom	91	57,700,000	477,756	8.3	753,535	61%	56,286	154,250	304	190,115	1,277	2.3%
Freeport	1140	1,526,466,667	11,583,978	7.6	1,015,214	8%	88,425	436,667	3,481	438,556	3,314	3.7%
Friendship	139	240,233,333	1,693,512	7.0	15,225	1%	57,945	218,333	518	463,473	1,539	2.7%
Fryeburg	509	372,483,333	3,084,162	8.3	4,096,049	57%	54,364	202,967	1,359	274,086	1,681	3.1%

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Town	Student count avg	Prop valuation SY20	Local required share	Local mil rate after	State subsidy after	Percent state subsidy share	Median household income	Median home value	Number Households	Property val per household	Median Home-owner EPS Tax	Median EPS tax as % of income
Gardiner	835	333,266,667	2,759,448	8.3	6,339,994	70%	53,734	164,750	2,402	138,726	1,364	2.5%
Garland	149	50,050,000	414,414	8.3	1,723,342	81%	45,554	92,575	460	108,923	767	1.7%
Georgetown	109	445,000,000	1,182,231	2.7	121,360	9%	72,543	400,667	461	964,595	1,064	1.5%
Glenburn	671	288,483,333	2,388,642	8.3	4,812,591	67%	67,955	209,217	1,778	162,252	1,732	2.5%
Gorham	2744	1,608,916,667	13,321,830	8.3	18,920,836	59%	84,971	316,570	6,234	258,074	2,621	3.1%
Gouldsboro	176	403,550,000	1,947,442	4.8	724,791	27%	53,929	224,667	752	536,398	1,084	2.0%
Gray	1086	900,283,333	7,454,346	8.3	4,928,647	40%	76,770	292,667	3,485	258,331	2,423	3.2%
Greenbush	204	60,116,667	497,766	8.3	1,902,055	79%	48,685	105,667	587	102,472	875	1.8%
Greene	641	327,366,667	2,710,596	8.3	4,780,062	64%	69,355	195,067	1,686	194,168	1,615	2.3%
Greenville	159	285,000,000	1,732,134	6.1	310,050	15%	46,420	164,167	815	349,836	998	2.1%
Greenwood	78	161,483,333	807,412	5.0	83,924	9%	65,458	191,500	406	397,742	957	1.5%
Guilford	150	121,200,000	1,003,536	8.3	618,872	38%	41,463	67,700	662	183,082	561	1.4%
Hallowell	270	242,500,000	2,007,900	8.3	1,442,776	42%	54,725	208,125	1,214	199,808	1,723	3.1%
Hampden	1304	634,066,667	5,250,072	8.3	10,745,572	67%	85,777	221,500	2,929	216,479	1,834	2.1%
Hancock	298	351,166,667	2,907,660	8.3	302,415	9%	46,890	225,833	1,092	321,483	1,870	4.0%
Hanover	22	44,216,667	268,466	6.1	0	0%	57,917	152,500	117	377,920	926	1.6%
Harmony	106	52,050,000	430,974	8.3	768,609	64%	32,128	125,317	356	146,208	1,038	3.2%
Harpswell	386	1,870,633,333	5,060,767	2.7	0	0%	82,224	443,333	2,340	799,416	1,199	1.5%
Harrington	152	113,650,000	941,022	8.3	764,669	45%	43,152	115,000	417	272,542	952	2.2%
Harrison	268	508,816,667	2,942,382	5.8	0	0%	53,189	235,558	1,231	413,448	1,362	2.6%
Hartford	134	112,500,000	931,500	8.3	735,135	44%	51,251	168,400	486	231,323	1,394	2.7%
Hartland	210	133,400,000	1,104,552	8.3	1,719,264	61%	33,071	111,250	739	180,433	921	2.8%
Hebron	199	86,750,000	718,290	8.3	1,465,595	67%	67,163	227,500	445	194,944	1,884	2.8%
Hermon	1022	491,316,667	4,068,102	8.3	6,162,425	60%	73,677	238,483	2,268	216,598	1,975	2.7%
Hiram	213	144,500,000	1,196,460	8.3	1,357,034	53%	44,776	161,167	677	213,547	1,334	3.0%
Hodgdon	159	59,800,000	495,144	8.3	1,631,065	77%	50,921	130,000	493	121,298	1,076	2.1%
Holden	404	283,683,333	2,348,898	8.3	2,002,920	46%	65,011	244,667	1,285	220,823	2,026	3.1%
Hollis	680	443,583,333	3,672,870	8.3	4,579,146	55%	67,106	260,967	1,728	256,654	2,161	3.2%
Hope	175	106,512,055	881,920	8.3	1,156,259	57%	62,621	255,000	634	168,000	2,111	3.4%
Hope2	85	62,176,380	514,820	8.3	574,189	53%	62,621	255,000	634	98,070	2,111	3.4%
Houlton	1007	283,800,000	2,349,864	8.3	8,398,836	78%	42,523	81,292	2,390	118,728	673	1.6%
Howland	137	58,000,000	480,240	8.3	1,124,070	70%	41,278	86,150	473	122,708	713	1.7%
Hudson	161	99,300,000	822,204	8.3	1,208,218	60%	59,689	185,500	584	169,937	1,536	2.6%
Industry	111	87,116,667	721,326	8.3	762,541	51%	52,985	182,500	406	214,573	1,511	2.9%
Island Falls	132	67,366,667	557,796	8.3	973,600	64%	41,567	81,500	337	199,704	675	1.6%
Islesboro	61	379,850,000	755,238	2.0	97,787	11%	66,253	330,000	269	1,413,834	656	1.0%
Jackman	102	82,216,667	680,754	8.3	532,446	44%	42,340	141,167	424	194,060	1,169	2.8%
Jay	654	540,733,333	4,477,272	8.3	2,972,056	40%	59,127	129,958	1,917	282,122	1,076	1.8%
Jefferson	292	342,933,333	2,839,488	8.3	1,736,225	38%	60,054	195,667	1,072	319,801	1,620	2.7%
Jonesport	120	104,039,100	861,444	8.3	121,642	12%	40,715	223,283	584	178,048	1,849	4.5%
Jonesport2	57	49,620,200	410,855	8.3	310,450	43%	40,715	223,283	584	84,918	1,849	4.5%

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Town	Student count avg	Prop valuation SY20	Local required share	Local mil rate after	State subsidy after	Percent state subsidy share	Median household income	Median home value	Number House-holds	Property val per household	Median Home-owner EPS Tax	Median EPS tax as % of income
Kenduskeag	190	76,600,000	634,248	8.3	1,763,070	74%	44,415	185,750	573	133,799	1,538	3.5%
Kennebunk	1656	2,314,350,000	19,162,818	8.3	2,014,878	10%	77,690	404,821	5,224	443,051	3,352	4.3%
Kennebunkpo	367	2,028,233,333	4,693,649	2.3	0	0%	89,008	681,708	1,671	1,214,026	1,578	1.8%
Kingfield	106	123,850,000	1,025,478	8.3	363,574	26%	44,341	151,917	478	258,920	1,258	2.8%
Kittery	1016	1,559,050,000	11,058,562	7.1	1,534,482	12%	79,952	411,150	4,461	349,458	2,916	3.6%
Lake View Pl	6	103,750,000	40,634	0.4	1,848	4%	32,778	215,000	48	2,161,458	84	0.3%
Lakeville	5	67,000,000	35,777	0.5	1,452	4%	31,250	77,500	75	893,333	41	0.1%
Lamoine	179	268,066,667	1,754,820	6.5	179,242	9%	65,017	266,310	756	354,429	1,743	2.7%
Lebanon	999	503,550,000	4,169,394	8.3	7,566,015	64%	69,921	251,500	2,342	214,978	2,082	3.0%
Lee	133	57,933,333	479,688	8.3	1,080,365	69%	45,766	105,333	367	157,713	872	1.9%
Leeds	365	172,933,333	1,431,888	8.3	2,826,054	66%	58,517	189,500	922	187,631	1,569	2.7%
Levant	426	161,400,000	1,336,392	8.3	3,002,725	69%	62,189	185,267	1,180	136,818	1,534	2.5%
Lewiston	5550	2,225,366,667	18,426,036	8.3	59,643,841	76%	41,762	161,950	15,221	146,201	1,341	3.2%
Liberty	101	130,500,000	1,080,540	8.3	288,126	21%	44,702	173,250	419	311,456	1,435	3.2%
Limerick	433	279,833,333	2,317,020	8.3	2,804,848	55%	62,303	218,783	1,191	235,022	1,812	2.9%
Limestone	182	64,900,000	537,372	8.3	1,856,564	78%	45,947	67,333	740	87,703	558	1.2%
Limington	509	313,833,333	2,598,540	8.3	3,575,507	58%	66,668	242,467	1,545	203,085	2,008	3.0%
Lincoln	715	295,350,000	2,445,498	8.3	4,797,795	66%	45,990	99,500	2,006	147,258	824	1.8%
Lincolnville	218	261,564,500	2,165,754	8.3	586,350	21%	59,323	272,517	1,090	240,041	2,256	3.8%
Lincolnville2	86	126,424,740	1,006,705	8.0	95,260	9%	59,323	272,517	1,090	116,021	2,170	3.7%
Linneus	96	66,450,000	550,206	8.3	726,641	57%	49,555	149,742	377	176,416	1,240	2.5%
Lisbon	1275	541,883,333	4,486,794	8.3	9,132,228	67%	58,642	180,133	3,636	149,019	1,492	2.5%
Litchfield	449	343,783,333	2,846,526	8.3	2,444,577	46%	67,427	223,500	1,469	234,025	1,851	2.7%
Livermore	257	188,050,000	1,557,054	8.3	1,370,044	47%	61,143	168,233	918	204,922	1,393	2.3%
Livermore Fa	507	165,216,667	1,367,994	8.3	4,400,634	76%	43,271	87,000	1,302	126,862	720	1.7%
Lovell	146	501,533,333	1,969,121	3.9	84,635	4%	59,601	321,667	457	1,098,248	1,263	2.1%
Lubec	111	173,650,000	1,107,457	6.4	240,800	18%	39,993	167,317	667	260,475	1,067	2.7%
Lyman	514	495,883,333	4,105,914	8.3	1,976,084	32%	75,219	289,333	1,816	273,114	2,396	3.2%
Machias	290	135,200,000	1,119,456	8.3	1,775,969	61%	35,215	114,983	927	145,794	952	2.7%
Machiasport	80	110,733,333	696,224	6.3	154,362	18%	55,658	152,917	382	290,131	961	1.7%
Madawaska	399	310,766,667	2,573,148	8.3	2,741,572	52%	44,045	73,667	1,927	161,298	610	1.4%
Madison	578	341,850,000	2,830,518	8.3	4,373,138	61%	44,170	119,833	1,851	184,717	992	2.2%
Manchester	352	320,300,000	2,652,084	8.3	1,104,473	29%	74,512	230,833	1,081	296,391	1,911	2.6%
Mapleton	326	135,216,667	1,119,594	8.3	2,409,801	68%	58,863	146,483	792	170,800	1,213	2.1%
Mariaville	58	71,650,000	593,262	8.3	67,883	10%	57,828	151,000	240	299,165	1,250	2.2%
Mechanic Fal	473	152,650,000	1,263,942	8.3	4,252,375	77%	62,394	165,125	1,215	125,638	1,367	2.2%
Mexico	397	104,200,000	862,776	8.3	4,070,548	83%	43,016	74,533	1,151	90,504	617	1.4%
Milbridge	198	171,050,000	1,416,294	8.3	799,606	36%	42,605	173,833	611	280,104	1,439	3.4%
Milford	418	180,200,000	1,492,056	8.3	3,115,540	68%	57,045	141,500	1,306	138,014	1,172	2.1%
Millinocket	479	162,850,000	1,348,398	8.3	3,394,922	72%	34,584	62,150	2,013	80,913	515	1.5%
Milo	298	80,400,000	665,712	8.3	3,281,340	83%	36,042	60,467	955	84,218	501	1.4%

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Town	Student count avg	Prop valuation SY20	Local required share	Local mil rate after	State subsidy after	Percent state subsidy share	Median household income	Median home value	Number House-holds	Property val per household	Median Home-owner EPS Tax	Median EPS tax as % of income
Minot	401	188,750,000	1,562,850	8.3	3,111,266	67%	72,395	234,167	1,019	185,291	1,939	2.7%
Monmouth	622	387,983,333	3,212,502	8.3	4,205,248	57%	68,930	197,833	1,625	238,808	1,638	2.4%
Monroe	92	73,900,000	611,892	8.3	639,751	51%	48,963	189,750	386	191,286	1,571	3.2%
Monson	58	63,066,667	522,192	8.3	100,778	16%	41,274	152,500	292	216,352	1,263	3.1%
Montville	133	78,200,000	647,496	8.3	1,155,345	64%	57,846	260,000	445	175,730	2,153	3.7%
Morrill	133	65,450,000	541,926	8.3	1,285,949	70%	60,794	197,250	349	187,536	1,633	2.7%
Moscow	53	95,350,000	657,365	6.9	0	0%	34,565	82,500	218	437,385	569	1.6%
Mount Deser	168	1,376,984,070	1,690,321	1.2	269,801	14%	76,968	593,205	946	1,455,073	728	0.9%
Mount Deser	79	678,933,115	883,207	1.3	118,881	12%	76,968	593,205	946	717,435	772	1.0%
Mount Verno	246	246,800,000	2,043,504	8.3	580,374	22%	62,340	200,008	700	352,404	1,656	2.7%
Naples	530	749,083,333	5,224,595	7.0	927,961	15%	65,910	238,833	1,664	450,080	1,666	2.5%
New Glouces	835	494,716,667	4,096,254	8.3	5,422,049	57%	77,114	263,317	2,215	223,382	2,180	2.8%
New Portland	57	74,600,000	617,688	8.3	155,095	20%	44,836	131,017	307	242,997	1,085	2.4%
New Sharon	212	97,450,000	806,886	8.3	2,021,984	71%	56,429	135,667	619	157,347	1,123	2.0%
New Sweden	49	36,916,667	305,670	8.3	255,030	45%	49,674	265,000	211	174,961	2,194	4.4%
New Vineyard	103	71,450,000	591,606	8.3	784,641	57%	50,628	164,475	321	222,933	1,362	2.7%
Newburgh	265	105,016,667	869,538	8.3	2,376,714	73%	61,075	218,983	583	180,235	1,813	3.0%
Newcastle	82	91,178,475	754,958	8.3	201,889	21%	71,565	305,833	805	113,218	2,532	3.5%
Newcastle2	172	157,099,275	1,300,782	8.3	667,822	34%	71,565	305,833	805	195,074	2,532	3.5%
Newfield	177	232,533,333	1,925,376	8.3	164,318	8%	50,868	210,250	685	339,465	1,741	3.4%
Newport	458	271,283,333	2,246,226	8.3	3,924,521	64%	44,687	159,783	1,452	186,834	1,323	3.0%
Newry	31	485,650,000	321,036	0.7	33,359	9%	58,472	428,650	178	2,728,371	283	0.5%
Nobleboro	212	312,383,333	2,351,099	7.5	242,270	9%	60,025	265,717	716	436,493	2,000	3.3%
Norridgewock	459	191,600,000	1,586,448	8.3	4,532,724	74%	50,222	121,833	1,330	144,060	1,009	2.0%
North Berwic	666	636,350,000	5,268,978	8.3	2,557,012	33%	82,313	287,817	1,857	342,615	2,383	2.9%
North Yarmo	660	464,383,333	3,845,094	8.3	4,557,269	54%	106,132	404,291	1,404	330,836	3,348	3.2%
Northport	175	327,100,000	1,828,286	5.6	133,193	7%	63,985	318,167	762	429,265	1,778	2.8%
Norway	729	432,783,333	3,583,446	8.3	4,437,567	55%	44,955	178,467	2,211	195,771	1,478	3.3%
Oakfield	89	43,666,667	361,560	8.3	669,289	65%	41,862	84,250	305	143,169	698	1.7%
Oakland	907	508,050,000	4,206,654	8.3	5,890,147	58%	60,133	184,750	2,622	193,764	1,530	2.5%
Ogunquit	53	1,324,166,667	572,709	0.4	60,047	9%	76,648	679,083	481	2,754,854	294	0.4%
Old Orchard	688	1,611,683,333	7,907,724	4.9	1,749,601	18%	54,542	309,250	4,897	329,139	1,517	2.8%
Old Town	962	447,900,000	3,708,612	8.3	7,913,227	68%	39,208	131,667	3,213	139,417	1,090	2.8%
Orland	242	225,150,000	1,864,242	8.3	993,920	35%	62,115	169,183	989	227,731	1,401	2.3%
Orono	589	434,116,667	3,594,486	8.3	4,654,414	56%	45,612	183,983	2,861	151,736	1,523	3.3%
Orrington	580	357,016,667	2,956,098	8.3	3,005,107	50%	65,997	196,167	1,449	246,332	1,624	2.5%
Otis	77	151,350,000	686,849	4.5	102,908	13%	59,853	210,000	343	441,254	953	1.6%
Otisfield	233	286,366,667	2,371,116	8.3	190,185	7%	64,414	214,633	718	398,654	1,777	2.8%
Owls Head	144	346,400,000	1,823,460	5.3	0	0%	62,004	291,667	796	435,176	1,535	2.5%
Oxford	664	424,700,000	3,516,516	8.3	3,786,307	52%	48,264	181,619	1,727	245,965	1,504	3.1%
Palermo	195	165,133,333	1,367,304	8.3	801,073	37%	58,291	199,500	686	240,836	1,652	2.8%

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Town	Student count avg	Prop valuation SY20	Local required share	Local mil rate after	State subsidy after	Percent state subsidy share	Median household income	Median home value	Number House-holds	Property val per household	Median Home-owner EPS Tax	Median EPS tax as % of income
Palmyra	218	121,750,000	1,008,090	8.3	1,923,941	66%	49,667	145,000	861	141,405	1,201	2.4%
Paris	762	339,766,667	2,813,268	8.3	5,563,176	66%	40,209	150,983	2,240	151,704	1,250	3.1%
Parkman	91	63,200,000	523,296	8.3	455,203	47%	38,181	110,014	348	181,783	911	2.4%
Parsonsfield	190	185,333,333	1,534,560	8.3	737,707	32%	48,115	209,000	840	220,635	1,731	3.6%
Patten	120	39,250,000	324,990	8.3	1,113,021	77%	36,942	75,000	435	90,230	621	1.7%
Pembroke	107	71,083,333	588,570	8.3	534,668	48%	42,625	134,950	325	218,718	1,117	2.6%
Penobscot	110	193,216,667	1,119,312	5.8	161,142	13%	53,273	170,333	582	331,797	987	1.9%
Perry	127	97,950,000	811,026	8.3	384,273	32%	56,633	165,125	375	261,200	1,367	2.4%
Peru	188	130,600,000	1,081,368	8.3	1,283,188	54%	56,088	134,333	637	205,024	1,112	2.0%
Phillips	131	80,416,667	665,850	8.3	1,044,747	61%	43,337	118,217	402	200,041	979	2.3%
Phippsburg	216	645,450,000	2,556,153	4.0	419,964	14%	74,808	338,217	1,024	630,117	1,339	1.8%
Pittsfield	642	242,150,000	2,005,002	8.3	4,948,806	71%	47,635	112,967	1,548	156,394	935	2.0%
Pittston	406	192,766,667	1,596,108	8.3	2,828,727	64%	63,012	190,817	1,156	166,753	1,580	2.5%
Plymouth	179	77,666,667	643,080	8.3	1,763,325	73%	56,683	138,417	558	139,271	1,146	2.0%
Poland	801	670,700,000	5,553,396	8.3	3,833,613	41%	66,357	258,608	2,274	294,900	2,141	3.2%
Portage Lake	41	66,150,000	436,725	6.6	200,747	31%	41,667	146,000	170	389,118	964	2.3%
Porter	204	120,400,000	996,912	8.3	1,450,236	59%	45,507	150,617	630	191,212	1,247	2.7%
Portland	6675	8,515,800,000	70,510,824	8.3	14,313,393	17%	56,693	334,000	31,919	266,794	2,766	4.9%
Pownal	212	236,100,000	1,954,908	8.3	382,508	16%	90,645	339,500	607	388,749	2,811	3.1%
Presque Isle	1252	558,533,333	4,624,656	8.3	8,948,206	66%	41,585	112,833	3,980	140,347	934	2.2%
Princeton	129	60,116,667	497,766	8.3	826,662	62%	55,952	137,360	346	173,748	1,137	2.0%
Prospect	99	51,216,667	424,074	8.3	747,142	64%	61,775	155,000	289	177,220	1,283	2.1%
Randolph	176	85,466,667	707,664	8.3	1,210,841	63%	54,039	142,983	785	108,921	1,184	2.2%
Rangeley	135	520,900,000	1,734,824	3.3	159,842	8%	53,603	250,000	623	835,668	833	1.6%
Rangeley Plt.	16	198,550,000	199,909	1.0	18,419	8%	52,084	283,750	80	2,481,875	286	0.5%
Raymond	584	1,037,366,667	6,980,910	6.7	122,893	2%	83,861	316,317	1,860	557,724	2,129	2.5%
Readfield	394	259,450,000	2,148,246	8.3	2,062,841	49%	78,584	226,667	1,017	255,113	1,877	2.4%
Richmond	459	265,583,333	2,199,030	8.3	3,274,870	60%	58,874	197,333	1,511	175,767	1,634	2.8%
Robbinston	69	51,166,667	423,660	8.3	294,826	41%	59,380	159,000	216	236,883	1,317	2.2%
Rockland	728	770,316,667	6,378,222	8.3	2,865,597	31%	46,897	181,192	3,432	224,451	1,500	3.2%
Rockport	343	508,049,560	3,412,879	6.7	413,391	11%	70,571	381,667	1,489	341,202	2,564	3.6%
Rockport2	188	335,599,080	2,215,238	6.6	192,729	8%	70,571	381,667	1,489	225,386	2,519	3.6%
Rome	124	300,500,000	1,380,974	4.6	(0)	0%	60,518	308,000	483	622,153	1,415	2.3%
Roxbury	37	168,416,667	453,170	2.7	(0)	0%	36,293	108,750	147	1,145,692	293	0.8%
Rumford	752	518,200,000	4,290,696	8.3	5,058,351	54%	33,306	90,617	2,603	199,103	750	2.3%
Sabattus	708	286,266,667	2,370,288	8.3	6,493,828	73%	65,277	180,375	2,006	142,705	1,494	2.3%
Saco	2742	2,175,666,667	18,014,520	8.3	13,063,588	42%	70,916	311,667	8,275	262,931	2,581	3.6%
Saint Albans	242	156,016,667	1,291,818	8.3	1,970,047	60%	55,509	149,300	843	185,073	1,236	2.2%
Saint George	279	803,933,333	2,667,407	3.3	479,043	15%	64,839	337,542	1,189	675,953	1,120	1.7%
Sanford	3061	1,373,966,667	11,376,444	8.3	34,368,175	75%	51,508	199,837	8,558	160,554	1,655	3.2%
Sangerville	141	75,000,000	621,000	8.3	898,668	59%	38,598	114,667	605	123,967	949	2.5%

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Town	Student count avg	Prop valuation SY20	Local required share	Local mil rate after	State subsidy after	Percent state subsidy share	Median household income	Median home value	Number House-holds	Property val per household	Median Home-owner EPS Tax	Median EPS tax as % of income
Scarborough	2938	3,919,800,000	30,913,522	7.9	3,302,192	10%	96,769	424,400	8,227	476,456	3,347	3.5%
Searsmont	191	163,650,000	1,355,022	8.3	1,262,163	48%	54,707	196,333	599	273,205	1,626	3.0%
Searsport	336	243,916,667	2,019,630	8.3	3,020,328	60%	43,055	178,667	1,207	202,141	1,479	3.4%
Sebago	194	372,450,000	2,152,915	5.8	228,121	10%	61,028	230,653	844	441,466	1,333	2.2%
Sebec	101	72,966,667	604,164	8.3	479,490	44%	47,882	163,400	268	272,603	1,353	2.8%
Sedgwick	159	216,250,000	1,437,993	6.6	233,600	14%	50,237	278,500	503	430,206	1,852	3.7%
Shapleigh	323	504,083,333	3,819,339	7.6	0	0%	65,522	263,150	1,137	443,475	1,994	3.0%
Shirley	15	29,733,333	149,051	5.0	11,292	7%	61,111	128,450	110	270,303	644	1.1%
Sidney	630	381,266,667	3,156,888	8.3	3,857,780	55%	67,556	251,900	1,696	224,803	2,086	3.1%
Skowhegan	1256	985,050,000	8,156,214	8.3	8,587,278	51%	37,360	114,917	3,618	272,264	952	2.5%
Smithfield	85	116,516,667	964,758	8.3	161,529	14%	62,865	204,133	454	256,456	1,690	2.7%
Solon	132	92,683,333	767,418	8.3	1,016,367	57%	54,963	124,000	460	201,632	1,027	1.9%
Sorrento	27	106,316,667	309,327	2.9	(0)	0%	53,017	280,000	163	652,249	815	1.5%
South Berwic	1261	678,783,333	5,620,326	8.3	8,798,236	61%	90,900	313,000	2,878	235,825	2,592	2.9%
South Bristol	83	611,383,333	831,470	1.4	73,596	8%	58,969	394,500	430	1,422,925	537	0.9%
South Portlan	2991	3,814,366,667	31,582,956	8.3	6,727,280	18%	68,152	315,000	11,482	332,214	2,608	3.8%
South Thoma	163	252,550,000	2,070,471	8.2	0	0%	60,488	286,750	681	370,852	2,351	3.9%
Southport	51	617,333,333	451,566	0.7	33,823	7%	58,901	475,500	299	2,062,361	348	0.6%
Southwest H	139	360,798,698	1,677,318	4.6	363,515	18%	59,825	340,467	801	450,248	1,583	2.6%
Southwest H	52	168,045,510	579,370	3.4	77,984	12%	59,825	340,467	801	209,707	1,174	2.0%
Springfield	33	17,550,000	145,314	8.3	237,320	62%	32,222	43,000	173	101,445	356	1.1%
Standish	1213	1,028,033,333	8,512,116	8.3	6,217,519	42%	79,450	262,792	3,784	271,655	2,176	2.7%
Starks	76	47,000,000	389,160	8.3	481,677	55%	41,678	122,000	292	160,959	1,010	2.4%
Stetson	141	88,800,000	735,264	8.3	1,036,095	58%	59,095	202,317	486	182,591	1,675	2.8%
Steuben	154	162,400,000	1,344,672	8.3	419,556	24%	41,741	169,000	492	329,858	1,399	3.4%
Stockton Spr	145	193,850,000	1,605,078	8.3	565,204	26%	54,907	199,783	751	258,237	1,654	3.0%
Stonington	90	275,150,000	1,068,112	3.9	226,727	18%	47,023	314,500	507	543,059	1,221	2.6%
Stow	49	46,383,333	384,054	8.3	300,002	44%	55,682	225,000	150	309,222	1,863	3.3%
Strong	172	82,600,000	683,928	8.3	1,563,810	70%	43,745	136,475	482	171,547	1,130	2.6%
Sullivan	165	181,466,667	1,502,544	8.3	387,548	21%	49,092	145,817	562	323,086	1,207	2.5%
Sumner	107	69,533,333	575,736	8.3	747,263	56%	49,045	159,833	417	166,613	1,323	2.7%
Surry	170	328,000,000	1,584,102	4.8	114,081	7%	67,720	290,047	643	510,109	1,401	2.1%
Swans Island	52	158,966,667	633,883	4.0	112,447	15%	60,294	284,500	152	1,045,833	1,134	1.9%
Swanville	181	118,733,333	983,112	8.3	1,495,598	60%	42,385	173,700	626	189,821	1,438	3.4%
Thomaston	360	359,450,000	2,976,246	8.3	1,598,470	35%	52,633	191,750	1,163	309,160	1,588	3.0%
Thorndike	113	49,900,000	413,172	8.3	1,118,310	73%	44,403	157,000	360	138,611	1,300	2.9%
Topsham	1167	883,216,667	7,313,034	8.3	7,995,785	52%	73,532	262,333	3,941	224,110	2,172	3.0%
Tremont	124	278,727,975	1,317,281	4.7	185,498	12%	58,395	246,583	722	386,050	1,165	2.0%
Tremont2	61	164,141,145	686,841	4.2	92,450	12%	58,395	246,583	722	227,342	1,032	1.8%
Trenton	194	303,733,333	1,826,952	6.0	346,886	16%	59,822	280,250	726	418,558	1,686	2.8%
Troy	129	64,133,333	531,024	8.3	1,217,545	70%	40,175	151,500	421	152,336	1,254	3.1%

Town	Student count avg	Prop valuation SY20	Local required share	Local mil rate after	State subsidy after	Percent state subsidy share	Median household income	Median home value	Number House-holds	Property val per household	Median Home-owner EPS Tax	Median EPS tax as % of income
Turner	915	476,850,000	3,948,318	8.3	6,736,918	63%	65,863	227,083	2,274	209,666	1,880	2.9%
Union	244	226,483,333	1,875,282	8.3	1,119,457	37%	65,186	226,250	1,005	225,282	1,873	2.9%
Unity	201	128,366,667	1,062,876	8.3	1,665,977	61%	49,944	167,500	770	166,710	1,387	2.8%
Van Buren	258	63,600,000	526,608	8.3	2,896,204	85%	29,996	82,500	921	69,055	683	2.3%
Vassalboro	612	314,250,000	2,601,990	8.3	3,941,200	60%	60,099	183,850	1,860	168,921	1,522	2.5%
Veazie	220	232,200,000	1,922,616	8.3	645,681	25%	56,781	184,950	821	282,826	1,531	2.7%
Verona	46	54,383,333	450,294	8.3	95,119	17%	55,233	211,950	240	226,597	1,755	3.2%
Vienna	58	68,233,333	564,972	8.3	210,785	27%	59,439	204,750	255	267,582	1,695	2.9%
Vinalhaven	167	472,000,000	1,853,801	3.9	595,289	24%	62,818	249,000	536	880,050	978	1.6%
Waldo	59	57,016,667	472,098	8.3	333,499	41%	48,333	238,500	362	157,505	1,975	4.1%
Waldoboro	645	483,300,000	4,001,724	8.3	3,925,658	50%	53,026	179,167	2,342	206,362	1,484	2.8%
Wales	231	108,533,333	898,656	8.3	1,823,744	67%	81,419	214,083	591	183,644	1,773	2.2%
Warren	602	305,566,667	2,530,092	8.3	4,867,759	66%	62,654	178,833	1,569	194,794	1,481	2.4%
Washburn	234	66,000,000	546,480	8.3	2,267,606	81%	51,934	78,050	667	98,951	646	1.2%
Washington	181	145,266,667	1,202,808	8.3	1,017,660	46%	53,472	192,167	645	225,103	1,591	3.0%
Waterboro	1184	712,383,333	5,898,534	8.3	8,129,243	58%	70,421	224,083	3,087	230,744	1,855	2.6%
Waterford	168	232,883,333	1,843,111	7.9	0	0%	55,754	176,825	758	307,099	1,399	2.5%
Waterville	1717	703,100,000	5,821,668	8.3	13,920,104	71%	37,105	133,650	6,370	110,383	1,107	3.0%
Wayne	146	190,416,667	1,561,687	8.2	0	0%	73,436	207,500	553	344,127	1,702	2.3%
Weld	29	112,483,333	351,662	3.1	35,175	9%	42,727	172,000	182	618,040	538	1.3%
Wellington	13	21,250,000	135,155	6.4	(0)	0%	40,543	94,625	125	170,000	602	1.5%
Wells	1291	3,101,833,333	14,074,590	4.5	1,475,678	9%	70,876	378,583	4,602	673,970	1,718	2.4%
West Bath	219	349,016,667	2,096,604	6.0	198,043	9%	65,123	337,167	871	400,555	2,025	3.1%
West Gardine	559	281,883,333	2,333,994	8.3	3,755,268	62%	72,393	225,000	1,447	194,805	1,863	2.6%
West Paris	310	100,050,000	828,414	8.3	2,582,990	76%	46,561	145,317	699	143,201	1,203	2.6%
Westbrook	2464	1,949,383,333	16,140,894	8.3	15,049,311	48%	59,519	272,231	8,189	238,039	2,254	3.8%
Weston	18	47,766,667	250,501	5.2	0	0%	37,500	110,913	100	477,667	582	1.6%
Westport Isla	58	203,100,000	588,950	2.9	47,427	7%	66,381	363,000	324	626,852	1,053	1.6%
Whitefield	277	184,183,333	1,525,038	8.3	1,540,194	50%	50,013	181,333	934	197,269	1,501	3.0%
Whiting	42	68,700,000	368,865	5.4	47,514	11%	52,594	179,500	197	348,731	964	1.8%
Wilton	574	257,750,000	2,134,170	8.3	5,533,139	72%	48,366	136,000	1,644	156,750	1,126	2.3%
Windham	2536	1,887,100,000	15,625,188	8.3	15,123,720	49%	80,629	289,000	6,840	275,905	2,393	3.0%
Windsor	386	252,866,667	2,093,736	8.3	2,653,057	56%	55,651	190,467	1,119	226,043	1,577	2.8%
Winslow	1121	597,966,667	4,951,164	8.3	7,395,455	60%	52,876	144,600	3,316	180,346	1,197	2.3%
Winter Harbo	59	181,200,000	665,184	3.7	231,112	26%	48,790	169,125	241	751,867	621	1.3%
Winterport	598	266,983,333	2,210,622	8.3	5,126,343	70%	69,664	187,867	1,526	174,918	1,556	2.2%
Winterville Pl	22	33,250,000	200,862	6.0	12,247	6%	40,156	130,000	99	335,859	785	2.0%
Winthrop	874	613,766,667	5,081,988	8.3	4,922,344	49%	69,196	198,650	2,572	238,665	1,645	2.4%
Wiscasset	422	447,000,000	3,701,160	8.3	1,855,909	33%	54,479	214,500	1,503	297,405	1,776	3.3%
Woodstock	150	206,500,000	1,548,742	7.5	165,725	10%	53,074	142,850	529	390,728	1,071	2.0%
Woolwich	437	385,966,667	3,195,804	8.3	4,017,430	56%	75,052	243,833	1,282	301,066	2,019	2.7%

Town	Student count avg	Prop valuation SY20	Local required share	Local mil rate after	State subsidy after	Percent state subsidy share	Median household income	Median home value	Number House-holds	Property val per household	Median Home-owner EPS Tax	Median EPS tax as % of income
Yarmouth	1599	1,581,033,333	13,090,956	8.3	4,806,974	27%	95,590	512,667	3,651	433,002	4,245	4.4%
York	1709	4,094,366,667	17,868,286	4.4	2,213,967	11%	87,393	491,283	5,732	714,300	2,144	2.5%

Property Valuation Change

Town	Property value 2023	Property value 2013	% chg 2013 to 2023	Population 2020	Median income MRS	Average income MRS
Abbot	92,450,000	75,650,000	22%	650	36,539	47,247
Acton	894,650,000	540,950,000	65%	2,671	59,072	81,260
Addison	170,650,000	142,200,000	20%	1,148	34,482	48,681
Albion	199,950,000	122,850,000	63%	2,006	48,333	63,172
Alexander	69,050,000	50,250,000	37%	525	48,622	58,150
Alfred	441,600,000	263,550,000	68%	3,073	49,855	66,016
Allagash	32,850,000	29,550,000	11%	237	23,766	40,869
Alna	119,650,000	79,750,000	50%	710	47,800	78,293
Alton	56,900,000	40,350,000	41%	829	42,654	55,033
Amherst	30,450,000	23,150,000	32%	248	40,277	54,372
Amity	17,050,000	14,300,000	19%	253	25,771	39,822
Andover	103,250,000	79,250,000	30%	752	43,156	57,443
Anson	190,100,000	127,350,000	49%	2,291	37,011	47,830
Appleton	164,050,000	127,050,000	29%	1,411	46,866	84,534
Arrowsic	116,550,000	81,150,000	44%	477	80,583	124,208
Arundel	660,100,000	413,500,000	60%	4,264	58,324	88,874
Ashland	83,400,000	91,400,000	-9%	1,202	41,057	50,779
Athens	102,700,000	61,500,000	67%	952	33,335	50,255
Auburn	2,607,050,000	1,954,400,000	33%	24,061	44,538	64,700
Augusta	2,174,700,000	1,490,000,000	46%	18,899	38,395	51,896
Aurora	25,000,000	18,600,000	34%	93	48,219	56,582
Avon	49,650,000	40,350,000	23%	450	35,092	47,457
Baileyville	348,600,000	191,550,000	82%	1,318	30,762	41,049
Baldwin	216,500,000	147,250,000	47%	1,520	47,995	62,854
Bangor	3,094,050,000	2,462,000,000	26%	31,753	40,410	67,323
Bar Harbor	2,040,000,000	1,383,750,000	47%	5,089	54,786	95,429
Baring Plt	15,000,000	13,200,000	14%	201	34,236	49,575
Bath	1,261,000,000	893,600,000	41%	8,766	48,004	65,978
Beals	95,150,000	67,250,000	41%	443	33,198	51,730
Beaver Cove	93,550,000	61,850,000	51%	133	90,776	120,871
Beddington	57,900,000	47,450,000	22%	60	40,309	63,167
Belfast	1,049,450,000	833,550,000	26%	6,938	42,127	72,686
Belgrade	859,200,000	597,050,000	44%	3,250	59,293	108,368
Belmont	94,500,000	62,450,000	51%	976	42,689	56,932
Benton	271,900,000	164,900,000	65%	2,715	46,524	58,613
Berwick	950,300,000	579,900,000	64%	7,950	59,416	75,264
Bethel	654,750,000	435,500,000	50%	2,504	44,505	77,300
Biddeford	3,595,900,000	2,290,750,000	57%	22,552	46,957	65,569
Bingham	96,950,000	55,400,000	75%	866	34,180	43,874
Blaine	48,050,000	31,700,000	52%	667	40,338	58,908
Blue Hill	872,900,000	722,200,000	21%	2,792	46,557	79,536

Boothbay	1,199,750,000	955,300,000	26%	3,003	48,889	80,171
Boothbay Harbor	991,350,000	755,900,000	31%	2,027	39,303	91,116
Bowdoin	331,250,000	222,300,000	49%	3,136	53,139	71,563
Bowdoinham	372,000,000	233,250,000	59%	3,047	55,969	78,252
Bowerbank	107,100,000	74,350,000	44%	136	55,320	64,086
Bradford	79,950,000	58,250,000	37%	1,184	40,341	56,726
Bradley	142,250,000	107,500,000	32%	1,532	45,088	59,172
Bremen	263,650,000	205,550,000	28%	823	49,537	79,590
Brewer	910,650,000	716,000,000	27%	9,672	44,604	75,295
Bridgewater	40,750,000	35,050,000	16%	532	35,170	50,071
Bridgton	1,503,600,000	968,850,000	55%	5,418	43,213	64,694
Brighton Plt	13,600,000	11,200,000	21%	62	N/A	N/A
Bristol	1,294,500,000	1,067,050,000	21%	2,834	50,401	84,672
Brooklin	390,300,000	363,500,000	7%	827	48,592	96,834
Brooks	90,950,000	69,150,000	32%	1,010	36,307	52,307
Brooksville	456,700,000	428,900,000	6%	935	46,042	77,982
Brownfield	251,200,000	170,500,000	47%	1,631	41,826	56,958
Brownville	74,450,000	54,500,000	37%	1,139	35,866	46,382
Brunswick	3,039,200,000	1,983,450,000	53%	21,756	58,082	89,575
Buckfield	180,950,000	122,000,000	48%	1,983	44,689	56,999
Bucksport	536,550,000	438,800,000	22%	4,944	43,110	57,420
Burlington	52,850,000	34,300,000	54%	373	34,560	40,961
Burnham	124,750,000	95,600,000	30%	1,096	37,133	48,892
Buxton	1,195,100,000	724,200,000	65%	8,376	54,499	72,629
Byron	41,350,000	30,250,000	37%	103	57,059	60,311
Calais	198,750,000	174,450,000	14%	3,079	38,638	54,989
Cambridge	33,750,000	24,850,000	36%	443	36,606	44,894
Camden	1,660,500,000	1,190,550,000	39%	5,232	60,236	100,241
Canaan	167,500,000	111,750,000	50%	2,193	40,773	50,341
Canton	114,350,000	54,800,000	109%	1,125	39,732	46,886
Cape Elizabeth	2,988,250,000	1,685,400,000	77%	9,535	107,564	214,316
Caratunk	50,800,000	29,650,000	71%	81	36,225	56,450
Caribou	438,450,000	369,500,000	19%	7,396	40,460	64,315
Carmel	244,700,000	161,600,000	51%	2,867	49,083	72,737
Carrabassett Vall	874,200,000	554,500,000	58%	673	65,587	115,246
Carroll Plt	25,250,000	23,700,000	7%	138	27,700	46,611
Carthage	84,550,000	31,450,000	169%	509	37,689	53,589
Casco	964,900,000	616,450,000	57%	3,646	49,665	76,361
Castine	325,150,000	351,500,000	-7%	1,320	87,922	120,571
Castle Hill	31,650,000	25,100,000	26%	373	40,424	60,642
Caswell	19,550,000	17,400,000	12%	293	36,475	42,195
Chapman	35,850,000	29,550,000	21%	491	44,899	56,158
Charleston	85,650,000	66,200,000	29%	1,551	35,894	54,566
Charlotte	38,050,000	26,200,000	45%	337	38,412	49,102
Chebeague Island	347,850,000	198,800,000	75%	396	69,539	145,819

Chelsea	239,800,000	155,900,000	54%	2,778	47,021	59,854
Cherryfield	117,800,000	84,650,000	39%	1,107	33,261	42,554
Chester	130,950,000	60,200,000	118%	549	37,810	50,869
Chesterville	133,050,000	89,600,000	48%	1,328	41,412	62,092
China	616,250,000	398,800,000	55%	4,408	52,759	73,822
Clifton	101,450,000	72,100,000	41%	840	45,381	58,786
Clinton	255,800,000	175,550,000	46%	3,370	43,006	55,650
Columbia	60,800,000	43,300,000	40%	435	39,407	48,204
Columbia Falls	51,250,000	36,250,000	41%	476	38,748	50,999
Cooper	28,850,000	22,800,000	27%	168	40,974	63,376
Coplin Plt	53,200,000	38,700,000	37%	131	N/A	N/A
Corinna	140,300,000	106,750,000	31%	2,221	36,143	49,036
Corinth	187,200,000	140,050,000	34%	2,900	43,913	57,363
Cornish	196,250,000	132,700,000	48%	1,508	44,371	58,916
Cornville	116,450,000	82,200,000	42%	1,317	47,857	62,270
Cranberry Isles	211,650,000	201,250,000	5%	160	49,511	61,909
Crawford	20,050,000	17,150,000	17%	93	43,055	52,339
Crystal	19,500,000	14,950,000	30%	248	30,874	39,432
Cumberland	1,910,200,000	1,056,700,000	81%	8,473	110,681	201,411
Cushing	382,450,000	268,450,000	42%	1,502	50,587	80,242
Cutler	78,650,000	69,700,000	13%	524	33,039	47,935
Cyr Plt	13,000,000	11,700,000	11%	78	33,440	51,712
Dallas Plt	156,050,000	129,200,000	21%	304	N/A	N/A
Damariscotta	432,650,000	339,500,000	27%	2,297	47,159	75,149
Danforth	66,350,000	55,600,000	19%	587	34,235	47,314
Dayton	308,700,000	200,000,000	54%	2,129	59,914	79,216
Deblois	40,200,000	41,100,000	-2%	74	26,532	34,205
Dedham	355,750,000	230,700,000	54%	1,648	58,737	113,080
Deer Isle	647,600,000	521,550,000	24%	2,194	42,279	82,462
Denmark	410,100,000	267,250,000	53%	1,197	46,116	74,022
Dennistown Plt	10,550,000	8,100,000	30%	61	N/A	N/A
Dennysville	22,000,000	18,650,000	18%	300	36,140	50,892
Detroit	85,000,000	53,850,000	58%	885	35,573	44,956
Dexter	271,450,000	222,550,000	22%	3,803	31,417	43,003
Dixfield	205,950,000	144,850,000	42%	2,253	43,027	54,098
Dixmont	122,950,000	77,850,000	58%	1,211	46,844	69,857
Dover-Foxcroft	384,100,000	297,250,000	29%	4,422	41,035	67,110
Dresden	202,000,000	145,300,000	39%	1,725	48,642	62,404
Durham	594,200,000	350,900,000	69%	4,173	70,294	95,929
Dyer Brook	20,200,000	17,900,000	13%	215	39,737	50,774
Eagle Lake	102,800,000	77,300,000	33%	772	39,064	68,486
East Machias	112,100,000	87,350,000	28%	1,326	37,160	53,341
East Millinocket	76,350,000	101,500,000	-25%	1,572	29,049	43,007
Eastbrook	88,400,000	73,300,000	21%	424	42,381	53,018
Easton	292,750,000	240,650,000	22%	1,320	45,779	60,866

Eastport	165,750,000	130,150,000	27%	1,288	35,797	48,610
Eddington	231,250,000	164,100,000	41%	2,194	50,363	69,632
Edgecomb	296,950,000	224,700,000	32%	1,188	49,282	80,278
Edinburg	11,250,000	8,550,000	32%	134	46,375	67,766
Eliot	1,258,450,000	828,350,000	52%	6,717	69,057	101,941
Ellsworth	1,297,200,000	1,048,700,000	24%	8,399	45,173	72,225
Embden	270,100,000	197,700,000	37%	902	43,156	67,987
Enfield	183,400,000	146,350,000	25%	1,435	40,053	53,152
Etna	94,500,000	68,150,000	39%	1,226	44,434	64,690
Eustis	205,950,000	165,400,000	25%	641	42,473	61,870
Exeter	85,250,000	56,450,000	51%	963	39,014	55,781
Fairfield	498,750,000	366,300,000	36%	6,484	43,085	55,993
Falmouth	3,436,450,000	2,097,800,000	64%	12,444	108,022	223,538
Farmingdale	306,000,000	190,750,000	60%	2,995	50,155	66,196
Farmington	606,500,000	446,000,000	36%	7,592	36,993	52,779
Fayette	215,950,000	163,800,000	32%	1,160	55,608	68,716
Fort Fairfield	191,700,000	173,900,000	10%	3,322	37,524	54,069
Fort Kent	288,100,000	230,900,000	25%	4,067	43,808	65,625
Frankfort	123,850,000	78,350,000	58%	1,231	39,285	52,016
Franklin	226,400,000	162,900,000	39%	1,567	40,337	51,898
Freedom	71,750,000	59,100,000	21%	711	41,885	52,867
Freeport	2,307,000,000	1,362,450,000	69%	8,737	70,984	140,353
Frenchboro	15,450,000	11,350,000	36%	29	N/A	N/A
Frenchville	66,450,000	49,800,000	33%	1,052	46,623	58,354
Friendship	313,650,000	261,800,000	20%	1,142	44,076	69,289
Frye Island	228,000,000	162,600,000	40%	32	N/A	N/A
Fryeburg	514,200,000	361,600,000	42%	3,369	40,061	58,544
Gardiner	472,950,000	333,250,000	42%	5,961	46,635	62,286
Garfield Plt	9,150,000	9,200,000	-1%	79	51,736	66,692
Garland	90,950,000	51,950,000	75%	1,026	37,075	47,935
Georgetown	666,050,000	449,050,000	48%	1,058	63,419	100,942
Gilead	36,400,000	29,500,000	23%	195	35,525	46,501
Glenburn	407,150,000	280,850,000	45%	4,648	51,727	78,023
Glenwood Plt	16,850,000	5,450,000	209%	5	N/A	N/A
Gorham	2,482,400,000	1,409,850,000	76%	18,336	66,683	105,679
Gouldsboro	488,900,000	394,900,000	24%	1,703	44,382	64,531
Grand Isle	28,250,000	18,700,000	51%	366	33,585	41,484
Grand Lake Strea	46,800,000	33,250,000	41%	125	32,796	66,730
Gray	1,474,800,000	847,150,000	74%	8,269	59,523	80,762
Great Pond	28,450,000	30,050,000	-5%	61	N/A	N/A
Greenbush	89,950,000	53,550,000	68%	1,444	39,547	48,338
Greene	457,300,000	313,900,000	46%	4,376	50,002	68,591
Greenville	386,900,000	309,700,000	25%	1,437	42,174	70,673
Greenwood	219,000,000	156,200,000	40%	774	45,765	63,606
Guilford	127,500,000	126,150,000	1%	1,267	34,372	51,819

Hallowell	324,200,000	237,700,000	36%	2,570	54,732	78,590
Hamlin	24,000,000	19,650,000	22%	166	41,919	51,081
Hammond	9,450,000	7,650,000	24%	91	32,826	35,296
Hampden	910,100,000	596,200,000	53%	7,709	66,500	111,203
Hancock	465,800,000	341,900,000	36%	2,466	43,463	63,004
Hanover	55,850,000	40,950,000	36%	286	49,428	63,795
Harmony	72,300,000	56,300,000	28%	825	34,537	41,618
Harpswell	2,264,250,000	1,791,200,000	26%	5,031	64,265	113,987
Harrington	147,850,000	107,800,000	37%	962	35,738	45,282
Harrison	702,900,000	491,550,000	43%	2,447	44,371	62,404
Hartford	152,950,000	112,200,000	36%	1,203	44,056	59,510
Hartland	162,950,000	119,550,000	36%	1,705	35,510	48,477
Haynesville	14,200,000	9,400,000	51%	97	40,185	47,168
Hebron	116,950,000	82,500,000	42%	1,223	53,884	66,817
Hermon	725,150,000	432,650,000	68%	6,461	59,750	93,483
Hersey	10,400,000	9,200,000	13%	73	N/A	N/A
Highland Plt	12,400,000	8,450,000	47%	52	N/A	N/A
Hiram	219,550,000	147,200,000	49%	1,609	41,442	50,873
Hodgdon	74,500,000	57,000,000	31%	1,290	40,659	57,174
Holden	369,600,000	275,250,000	34%	3,277	57,641	92,368
Hollis	681,400,000	403,300,000	69%	4,745	56,598	74,015
Hope	266,300,000	191,050,000	39%	1,698	51,586	78,233
Houlton	336,200,000	287,000,000	17%	6,055	37,290	54,931
Howland	72,350,000	59,050,000	23%	1,094	37,010	45,716
Hudson	123,950,000	93,300,000	33%	1,416	42,696	55,017
Indian Island	12,250,000	8,750,000	40%	370	28,313	37,783
Indian Township	3,900,000	2,950,000	32%	760	28,670	27,775
Industry	126,500,000	77,250,000	64%	788	38,743	110,161
Island Falls	89,400,000	64,400,000	39%	758	39,003	50,293
Isle Au Haut	70,250,000	85,300,000	-18%	92	35,674	42,762
Islesboro	521,050,000	595,350,000	-12%	583	51,357	106,144
Jackman	110,250,000	86,150,000	28%	782	42,622	88,721
Jackson	52,100,000	35,950,000	45%	610	37,233	52,877
Jay	345,600,000	862,200,000	-60%	4,620	42,760	53,831
Jefferson	481,150,000	327,550,000	47%	2,551	49,937	66,989
Jonesboro	69,850,000	63,450,000	10%	579	38,461	50,609
Jonesport	188,300,000	159,450,000	18%	1,245	28,021	43,531
Kenduskeag	97,850,000	71,650,000	37%	1,346	43,901	54,364
Kennebunk	3,540,950,000	2,097,550,000	69%	11,536	68,718	108,966
Kennebunkport	3,354,550,000	1,810,500,000	85%	3,629	76,468	146,185
Kingfield	174,350,000	133,750,000	30%	960	44,004	87,598
Kingsbury Plt	97,700,000	16,600,000	489%	28	N/A	N/A
Kittery	2,408,700,000	1,488,100,000	62%	10,070	64,807	102,860
Knox	67,850,000	52,950,000	28%	811	35,589	47,308
Lagrange	41,400,000	33,450,000	24%	635	31,149	41,242

Lake View Plt	168,750,000	122,550,000	38%	150	56,202	60,945
Lakeville	90,450,000	64,350,000	41%	104	26,513	46,829
Lamoine	363,600,000	267,500,000	36%	1,720	52,006	72,228
Lebanon	810,600,000	472,750,000	71%	6,469	54,568	68,641
Lee	79,400,000	58,750,000	35%	916	37,002	50,893
Leeds	254,850,000	171,750,000	48%	2,262	47,616	61,330
Levant	233,700,000	149,050,000	57%	2,940	51,189	65,820
Lewiston	2,919,200,000	2,196,750,000	33%	37,121	39,234	54,614
Liberty	199,500,000	125,250,000	59%	934	42,117	55,385
Limerick	451,000,000	284,150,000	59%	3,188	51,837	65,510
Limestone	83,550,000	70,700,000	18%	1,526	36,160	45,434
Limington	502,700,000	306,650,000	64%	3,892	50,695	64,651
Lincoln	415,950,000	323,050,000	29%	4,853	38,300	65,147
Lincoln Plt	38,250,000	31,350,000	22%	41	N/A	N/A
Lincolnville	622,400,000	430,800,000	44%	2,312	50,274	84,716
Linneus	80,100,000	63,100,000	27%	947	39,881	52,625
Lisbon	807,500,000	522,650,000	55%	9,711	48,985	60,264
Litchfield	478,150,000	311,750,000	53%	3,586	51,351	75,425
Littleton	66,300,000	54,450,000	22%	997	39,139	64,603
Livermore	256,600,000	184,800,000	39%	2,127	47,775	59,333
Livermore Falls	224,250,000	154,150,000	45%	3,060	35,339	42,731
Long Island	226,850,000	142,250,000	59%	234	49,064	80,526
Lovell	633,950,000	530,150,000	20%	1,104	43,943	68,808
Lowell	67,500,000	44,750,000	51%	368	41,693	84,596
Lubec	230,300,000	167,050,000	38%	1,237	27,731	49,207
Ludlow	28,600,000	23,400,000	22%	434	43,284	57,823
Lyman	796,300,000	445,750,000	79%	4,525	57,918	77,459
Machias	172,950,000	134,400,000	29%	2,060	33,132	50,160
Machiasport	157,000,000	109,050,000	44%	962	34,535	49,191
Macwahoc Plt	15,950,000	7,400,000	116%	62	31,049	42,670
Madawaska	373,300,000	316,850,000	18%	3,867	36,116	48,117
Madison	402,850,000	497,500,000	-19%	4,726	37,736	50,371
Manchester	413,200,000	301,200,000	37%	2,456	62,179	109,485
Mapleton	153,500,000	125,050,000	23%	1,886	52,751	76,797
Mariaville	84,250,000	72,150,000	17%	472	39,982	56,450
Mars Hill	155,300,000	106,750,000	45%	1,360	45,502	88,762
Marshfield	43,500,000	38,900,000	12%	528	49,869	65,681
Masardis	29,350,000	24,350,000	21%	204	42,428	46,405
Matinicus Isle Pl	35,850,000	36,100,000	-1%	53	21,802	42,518
Mattawamkeag	58,000,000	39,350,000	47%	596	28,256	40,910
Maxfield	10,150,000	7,700,000	32%	89	22,223	37,794
Mechanic Falls	237,300,000	153,600,000	54%	3,107	44,846	57,786
Meddybemps	33,350,000	25,400,000	31%	139	33,495	70,940
Medford	29,000,000	17,900,000	62%	230	39,824	53,255
Medway	77,500,000	60,350,000	28%	1,187	33,050	46,070

Mercer	86,150,000	56,600,000	52%	709	47,896	60,996
Merrill	16,250,000	13,150,000	24%	208	49,100	57,673
Mexico	125,700,000	108,300,000	16%	2,756	30,675	41,335
Milbridge	241,050,000	182,300,000	32%	1,375	32,548	44,440
Milford	229,100,000	181,850,000	26%	3,069	45,364	60,251
Millinocket	206,450,000	187,100,000	10%	4,114	31,228	45,675
Milo	104,750,000	88,950,000	18%	2,251	32,565	39,698
Minot	271,400,000	179,650,000	51%	2,766	53,048	74,829
Monhegan Plt	87,000,000	91,500,000	-5%	64	48,309	68,807
Monmouth	551,750,000	387,700,000	42%	4,066	54,573	79,678
Monroe	105,350,000	69,850,000	51%	931	40,729	54,692
Monson	91,100,000	64,250,000	42%	609	34,641	44,169
Monticello	60,850,000	43,650,000	39%	737	35,110	45,216
Montville	116,150,000	79,550,000	46%	1,020	41,314	55,675
Moose River	47,500,000	29,050,000	64%	188	63,086	57,483
Moro Plt.	11,850,000	10,850,000	9%	44	N/A	N/A
Morrill	94,450,000	66,950,000	41%	971	44,156	66,067
Moscow	128,650,000	86,200,000	49%	475	32,710	42,123
Mount Chase	42,750,000	34,400,000	24%	187	31,881	51,446
Mount Desert	2,507,250,000	1,989,150,000	26%	2,146	61,612	109,763
Mount Vernon	317,800,000	243,550,000	30%	1,721	48,375	71,053
Naples	1,112,100,000	703,500,000	58%	3,925	52,385	76,338
Nashville Plt	53,950,000	15,250,000	254%	27	N/A	N/A
New Canada	30,150,000	24,150,000	25%	310	58,215	60,194
New Gloucester	730,150,000	485,300,000	50%	5,676	60,397	86,442
New Limerick	133,750,000	165,700,000	-19%	574	46,220	64,048
New Portland	100,450,000	64,800,000	55%	765	38,852	47,489
New Sharon	129,650,000	99,750,000	30%	1,458	39,290	54,507
New Sweden	44,400,000	34,900,000	27%	577	38,438	51,534
New Vineyard	96,950,000	66,200,000	46%	721	38,655	49,026
Newburgh	171,700,000	98,950,000	74%	1,595	48,264	77,869
Newcastle	358,000,000	284,100,000	26%	1,848	57,098	84,588
Newfield	365,200,000	235,300,000	55%	1,648	44,909	55,674
Newport	359,100,000	251,900,000	43%	3,133	38,731	55,004
Newry	713,850,000	454,250,000	57%	411	38,565	85,374
Nobleboro	434,700,000	297,150,000	46%	1,791	51,970	79,310
Norridgewock	278,750,000	168,800,000	65%	3,278	43,105	59,047
North Berwick	968,550,000	579,400,000	67%	4,978	61,347	77,134
North Haven	409,300,000	487,750,000	-16%	417	40,972	67,181
North Yarmouth	701,350,000	433,400,000	62%	4,072	92,092	147,230
Northfield	62,450,000	44,750,000	40%	178	40,954	74,722
Northport	498,250,000	330,350,000	51%	1,550	52,590	78,785
Norway	560,850,000	421,550,000	33%	5,077	40,665	62,234
Oakfield	53,300,000	42,500,000	25%	661	35,643	44,476
Oakland	762,950,000	490,450,000	56%	6,230	46,814	76,089

Ogunquit	2,025,250,000	1,272,150,000	59%	1,577	57,667	123,170
Old Orchard Beac	2,428,200,000	1,457,100,000	67%	8,960	49,131	68,963
Old Town	678,150,000	482,750,000	40%	7,431	39,425	58,228
Orient	53,300,000	41,500,000	28%	156	45,389	59,081
Orland	303,050,000	226,600,000	34%	2,221	43,742	60,180
Orono	569,700,000	388,950,000	46%	11,183	43,808	75,097
Orrington	449,550,000	331,750,000	36%	3,812	54,280	72,505
Osborn	95,300,000	15,100,000	531%	65	66,357	73,932
Otis	211,500,000	139,350,000	52%	673	48,752	77,360
Otisfield	405,200,000	275,550,000	47%	1,853	49,387	63,872
Owls Head	460,150,000	333,300,000	38%	1,504	47,842	75,149
Oxford	553,850,000	422,850,000	31%	4,229	41,411	56,556
Palermo	253,850,000	177,050,000	43%	1,570	54,156	72,025
Palmyra	180,150,000	116,750,000	54%	1,924	37,565	50,588
Paris	426,250,000	341,750,000	25%	5,179	40,671	53,528
Parkman	91,200,000	56,800,000	61%	747	39,285	50,783
Parsonsfield	279,900,000	192,000,000	46%	1,791	43,208	55,231
Passadumkeag	28,550,000	21,250,000	34%	356	42,948	54,038
Patten	49,650,000	38,250,000	30%	881	29,513	43,575
Pembroke	85,950,000	77,850,000	10%	788	36,667	45,026
Penobscot	248,950,000	192,200,000	30%	1,136	43,315	59,313
Perham	27,650,000	22,700,000	22%	371	44,214	52,533
Perry	114,500,000	98,700,000	16%	802	40,323	52,390
Peru	157,600,000	124,850,000	26%	1,488	46,797	56,823
Phillips	96,400,000	79,950,000	21%	898	36,134	45,414
Phippsburg	828,750,000	609,150,000	36%	2,155	53,385	82,264
Pittsfield	318,600,000	244,900,000	30%	3,908	40,483	59,502
Pittston	288,600,000	187,550,000	54%	2,875	50,417	63,411
Pleasant Point	2,350,000	1,750,000	34%	692	25,184	31,640
Pleasant Ridge P	99,750,000	102,000,000	-2%	85	34,862	45,081
Plymouth	102,750,000	72,400,000	42%	1,325	42,240	52,020
Poland	1,040,550,000	652,000,000	60%	5,906	52,806	73,079
Portage Lake	85,550,000	69,750,000	23%	359	43,516	60,275
Porter	181,350,000	120,550,000	50%	1,600	38,512	48,721
Portland	14,790,100,000	7,552,150,000	96%	68,408	52,690	86,449
Pownal	346,000,000	184,350,000	88%	1,566	66,484	106,171
Presque Isle	618,900,000	571,950,000	8%	8,797	38,319	56,195
Princeton	70,700,000	59,800,000	18%	745	31,731	46,184
Prospect	75,750,000	45,800,000	65%	698	44,063	51,206
Randolph	113,050,000	89,600,000	26%	1,743	42,446	51,971
Rangeley	664,750,000	534,950,000	24%	1,222	54,018	81,927
Rangeley Plt.	236,050,000	186,950,000	26%	184	N/A	N/A
Raymond	1,565,250,000	996,600,000	57%	4,536	62,057	98,937
Readfield	360,400,000	268,550,000	34%	2,597	59,775	81,985
Reed Plt	17,950,000	11,300,000	59%	129	31,530	36,659

Richmond	366,600,000	270,500,000	36%	3,522	49,583	65,035
Ripley	50,850,000	31,650,000	61%	484	32,510	45,382
Robbinston	61,750,000	49,700,000	24%	539	40,587	63,123
Rockland	983,150,000	765,100,000	28%	6,936	37,999	55,801
Rockport	1,212,950,000	963,800,000	26%	3,644	58,244	111,328
Rome	424,150,000	294,550,000	44%	1,148	51,684	88,257
Roque Bluffs	102,250,000	76,150,000	34%	296	38,262	57,191
Roxbury	166,600,000	49,750,000	235%	361	41,556	52,141
Rumford	630,300,000	593,700,000	6%	5,858	35,183	46,593
Sabattus	439,500,000	288,800,000	52%	5,044	48,127	60,882
Saco	3,198,550,000	2,025,700,000	58%	20,381	57,906	83,567
Saint Agatha	85,250,000	64,900,000	31%	706	42,587	61,184
Saint Albans	220,650,000	151,650,000	45%	730	38,930	52,111
Saint Francis	30,750,000	28,100,000	9%	2,045	26,419	35,179
Saint George	1,078,100,000	819,250,000	32%	438	45,416	96,949
Saint John Plt	22,700,000	16,550,000	37%	263	34,193	44,853
Sandy River Plt	148,650,000	130,050,000	14%	128	N/A	N/A
Sanford	2,123,150,000	1,412,000,000	50%	21,982	45,457	60,479
Sangerville	108,750,000	81,600,000	33%	1,306	35,922	48,920
Scarborough	5,592,350,000	3,482,500,000	61%	22,135	78,400	131,206
Searsmont	217,700,000	184,750,000	18%	1,400	49,702	85,179
Searsport	378,550,000	257,350,000	47%	2,649	38,079	50,814
Sebago	624,800,000	384,750,000	62%	1,911	50,404	68,375
Sebec	99,600,000	69,300,000	44%	665	44,226	62,611
Seboeis Plt	12,750,000	10,550,000	21%	40	N/A	N/A
Sedgwick	248,900,000	218,150,000	14%	1,202	36,698	65,583
Shapleigh	811,200,000	475,850,000	70%	2,921	55,965	72,813
Sherman	54,700,000	43,150,000	27%	815	30,620	41,389
Shirley	37,750,000	29,300,000	29%	251	37,376	43,487
Sidney	605,750,000	372,750,000	63%	4,645	59,738	84,832
Skowhegan	1,256,250,000	1,096,200,000	15%	8,620	38,050	60,281
Smithfield	177,350,000	112,400,000	58%	925	50,619	67,683
Smyrna	24,850,000	19,200,000	29%	439	35,237	47,906
Solon	115,750,000	90,400,000	28%	978	36,819	50,034
Somerville	71,000,000	53,650,000	32%	600	39,945	52,381
Sorrento	133,600,000	106,550,000	25%	279	53,686	115,037
South Berwick	972,350,000	651,150,000	49%	7,467	70,143	92,553
South Bristol	861,800,000	664,450,000	30%	1,127	58,847	126,290
South Portland	5,847,800,000	3,516,250,000	66%	26,498	54,346	79,988
South Thomastor	341,150,000	251,050,000	36%	1,511	49,921	76,023
Southport	751,800,000	626,500,000	20%	622	56,384	89,755
Southwest Harbo	804,550,000	653,350,000	23%	N/A	52,008	85,786
Springfield	22,450,000	17,900,000	25%	293	31,765	42,151
Stacyville	22,550,000	17,950,000	26%	380	27,832	37,342
Standish	1,514,400,000	1,001,000,000	51%	10,244	55,767	78,284

Starks	69,950,000	34,000,000	106%	593	37,379	44,464
Stetson	121,200,000	78,600,000	54%	1,186	43,702	61,681
Steuben	226,400,000	188,300,000	20%	1,129	30,957	45,095
Stockholm	18,750,000	15,950,000	18%	250	44,216	60,961
Stockton Springs	263,450,000	208,000,000	27%	1,533	41,471	61,742
Stoneham	99,350,000	75,250,000	32%	261	40,347	52,899
Stonington	354,600,000	290,600,000	22%	1,056	31,476	56,427
Stow	67,550,000	45,900,000	47%	393	40,007	51,494
Strong	100,350,000	83,550,000	20%	1,122	41,627	51,377
Sullivan	211,300,000	172,700,000	22%	1,219	40,128	53,428
Sumner	92,900,000	65,350,000	42%	994	38,727	46,439
Surry	420,950,000	353,650,000	19%	1,632	48,253	74,289
Swans Island	168,850,000	166,800,000	1%	355	38,686	64,151
Swanville	165,650,000	113,850,000	45%	1,377	39,367	54,025
Sweden	121,650,000	83,450,000	46%	406	47,142	73,171
Talmadge	7,150,000	6,550,000	9%	70	55,420	55,707
Temple	56,100,000	43,650,000	29%	527	37,092	48,041
The Forks Plt	61,750,000	45,250,000	36%	48	N/A	N/A
Thomaston	455,750,000	323,450,000	41%	2,739	42,804	59,346
Thorndike	67,550,000	47,950,000	41%	774	36,815	51,638
Topsfield	23,250,000	18,500,000	26%	179	36,001	51,421
Topsham	1,248,150,000	781,400,000	60%	9,560	63,290	85,436
Tremont	617,100,000	520,400,000	19%	1,544	43,055	64,126
Trenton	428,550,000	275,850,000	55%	1,584	47,456	77,138
Troy	85,100,000	59,350,000	43%	1,018	37,316	52,352
Turner	704,400,000	471,800,000	49%	5,817	54,470	83,606
Union	324,150,000	231,250,000	40%	2,383	46,326	67,149
Unity	165,200,000	121,850,000	36%	2,292	38,440	49,758
Upton	32,850,000	27,900,000	18%	69	26,906	40,841
Van Buren	78,550,000	65,750,000	19%	2,038	30,449	43,387
Vanceboro	10,200,000	9,800,000	4%	102	35,998	45,994
Vassalboro	438,200,000	318,400,000	38%	4,520	50,917	68,556
Veazie	280,400,000	225,350,000	24%	1,814	51,977	96,925
Verona	65,800,000	50,850,000	29%	507	39,871	54,408
Vienna	90,800,000	66,900,000	36%	578	45,382	62,428
Vinalhaven	573,750,000	531,500,000	8%	1,279	33,899	64,138
Wade	18,650,000	15,450,000	21%	229	51,081	63,003
Waite	9,750,000	10,300,000	-5%	66	47,754	55,821
Waldo	84,550,000	53,500,000	58%	795	37,433	53,356
Waldoboro	640,850,000	492,850,000	30%	5,154	42,386	57,689
Wales	158,250,000	101,950,000	55%	1,608	50,832	66,065
Wallagrass	50,100,000	35,300,000	42%	519	42,896	62,514
Waltham	42,650,000	28,900,000	48%	332	48,335	73,478
Warren	425,250,000	306,350,000	39%	4,865	34,855	51,839
Washburn	100,550,000	64,800,000	55%	1,527	37,549	47,964

Washington	191,300,000	144,000,000	33%	1,592	40,202	50,156
Waterboro	1,109,600,000	699,250,000	59%	7,936	55,082	69,084
Waterford	313,000,000	243,500,000	29%	1,570	40,908	59,317
Waterville	962,100,000	771,800,000	25%	15,828	37,887	57,312
Wayne	274,750,000	193,850,000	42%	1,129	60,286	83,850
Webster Plt	8,100,000	7,150,000	13%	68	37,748	42,325
Weld	147,750,000	107,550,000	37%	376	42,159	57,246
Wellington	26,200,000	19,850,000	32%	229	36,989	45,181
Wells	4,442,200,000	2,800,800,000	59%	11,314	64,556	90,135
Wesley	25,650,000	19,550,000	31%	122	31,271	45,795
West Bath	492,550,000	340,250,000	45%	1,910	59,785	92,458
West Forks Plt	36,800,000	18,550,000	98%	58	28,040	55,377
West Gardiner	427,900,000	273,150,000	57%	3,671	54,509	71,323
West Paris	139,300,000	94,350,000	48%	1,766	40,748	54,130
Westbrook	2,986,400,000	1,810,550,000	65%	20,400	50,944	67,009
Westfield	36,650,000	28,700,000	28%	455	38,908	53,933
Westmanland	19,900,000	17,550,000	13%	79	42,483	55,576
Weston	58,450,000	40,850,000	43%	245	31,724	48,068
Westport	281,600,000	224,000,000	26%	719	51,342	78,216
Whitefield	265,100,000	181,100,000	46%	2,408	45,928	66,377
Whiting	85,150,000	69,250,000	23%	482	43,055	48,935
Whitneyville	16,150,000	13,500,000	20%	202	30,635	40,731
Willimantic	63,050,000	57,500,000	10%	134	28,165	41,075
Wilton	335,950,000	282,150,000	19%	3,835	43,235	58,839
Windham	2,914,100,000	1,751,900,000	66%	18,434	59,115	85,126
Windsor	391,200,000	174,600,000	124%	2,632	47,677	61,113
Winn	27,800,000	21,200,000	31%	399	34,096	120,580
Winslow	822,150,000	575,000,000	43%	7,948	47,032	63,924
Winter Harbor	218,400,000	222,600,000	-2%	461	44,500	66,279
Winterport	351,600,000	241,950,000	45%	3,817	49,609	69,221
Winterville Plt	39,050,000	35,250,000	11%	194	41,258	51,670
Winthrop	824,050,000	603,850,000	36%	6,121	52,621	86,733
Wiscasset	586,500,000	432,050,000	36%	3,742	44,739	61,361
Woodland	70,300,000	57,400,000	22%	1,217	42,335	51,558
Woodstock	264,850,000	164,950,000	61%	1,352	40,727	58,816
Woodville	40,150,000	16,700,000	140%	201	29,747	38,478
Woolwich	526,200,000	368,900,000	43%	3,068	60,193	81,980
Yarmouth	2,450,100,000	1,426,850,000	72%	8,990	91,599	189,428
York	5,946,500,000	3,928,900,000	51%	13,723	72,554	129,339

Appendix C

Maine Revenue Services Handouts

OVERVIEW OF PROPERTY TAX RELIEF PROGRAMS

Indirect Property Tax Relief

General Purpose Aid for Local Schools:

General Purpose Aid appropriations enacted in the 2022-2023 biennial and supplemental budgets raised the State share of education funding to 55% for fiscal year 2022 and has maintained this level of funding in fiscal year 2025. This percentage is calculated in accordance with Title 20-A § 15671 sub-§ 7 ¶ B and does not include the cost of teacher retirement, retired teacher health insurance and life insurance in the total cost of education. Similarly, the State's appropriation for those items does not count toward the State's share. This calculation method was also used in determining the General Purpose Aid appropriation for the 2026-2027 biennium which assumes continuing to fund the State share at 55% as required by current law.

		Budgeted Appropriations and Allocations								Governor's Proposed 2026-2027 Budget	
		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
General Purpose Aid For Local Schools	General Fund	1,021,684,127	1,097,892,644	1,142,663,155	1,207,777,019	1,299,988,114	1,335,940,626	1,376,441,847	1,417,212,559	1,481,822,304	1,510,522,667
General Purpose Aid For Local Schools	OSR-Casino	17,818,062	17,994,222	21,295,290	21,508,243	22,972,114	23,618,696	24,721,192	23,431,046	24,215,919	24,906,334
Teacher Retirement (UAL)	General Fund	129,421,735	132,980,833	174,530,365	179,329,950	194,654,439	200,007,436	214,917,737	220,827,975	232,240,022	238,626,623
Retired Teachers' Health Insurance	General Fund	40,000,000	45,000,000	45,000,000	45,000,000	45,000,000	45,000,000	48,268,715	48,268,715	48,268,715	48,268,715
		1,208,923,924	1,293,867,699	1,383,488,810	1,453,615,212	1,562,614,667	1,604,566,758	1,664,349,491	1,709,740,295	1,786,546,960	1,822,324,339

Revenue Sharing:

No later than the 10th day of each month, the State Controller transfers to the Local Government Fund 5.0% of the taxes collected and credited to the General Fund during the previous month under Title 36, Parts 3 and 8, and Title 36, section 2552, subsection 1, paragraphs A – F and L, which include the following taxes:

• The individual income tax;
• The corporate income tax;
• The franchise tax on financial institutions;
• A portion of the service provider tax; and
• Sales and use taxes.

From fiscal year 2010 to fiscal year 2015, fixed-dollar transfers back to the General Fund from the Local Government Fund were implemented to reduce amounts distributed to municipalities through the revenue sharing programs without affecting the 5.0% transfer provision. These statutory amounts were $25,383,491 in fiscal year 2010, $38,145,323 in fiscal year 2011, $40,350,638 in fiscal year 2012, $44,267,343 in fiscal year 2013, $73,306,246 in fiscal year 2014 and $85,949,391 in fiscal year 2015. From fiscal year 2016 to fiscal year 2021 the percentage of the tax revenue base transferred from the General Fund to the Local Government Fund was reduced from 5.0%. For fiscal years 2016-2019 it was 2.0%. In fiscal year 2020, it was 3.0% and in fiscal year 2021, 3.75%. In fiscal year 2022 it was 4.5%. In fiscal year 2023 and subsequent fiscal years, it returned to 5.0%.

A percentage of the total amount transferred monthly to the Local Government Fund must be transferred to the Disproportionate Tax Burden Fund for distribution to municipal entities. These are referred to as "Revenue Sharing II" distributions. The percentage Transferred to the Disproportionate Tax Burden Fund for Revenue Sharing II is set by statute at 15% for fiscal year 2010, increasing each year by 1% until reaching 19% in fiscal year 2014, and at 20% for 2015 and subsequent fiscal years. In addition, a fixed dollar amount is separately transferred from the General Fund to the Disproportionate Tax Burden Fund as follows:

• $2 million in fiscal year 2010
• $2.5 million in fiscal year 2011
• $3 million in fiscal year 2012
• $3.5 million in fiscal year 2013, and
• $4 million in fiscal year 2014 and in subsequent fiscal years.

The State Treasurer distributes funds from the Disproportionate Tax Burden Fund to municipalities on the 20th day of each month. Funds are distributed to municipal entities according to a percentage of the total amount. The percentage is calculated based on a weighting of the population and the disproportionate tax burden, defined as the mill rate in excess of 10 mills (only municipal entities with mill rates in excess of 10 mills are entitled to Revenue Sharing II distributions). Beginning on July 1, 2013, if the total revenue sharing distribution from the Local Government Fund is provided to Revenue Sharing I municipalities without transfer or reduction, the threshold for Revenue Sharing II municipalities will be increased by ½ mill per year until only municipalities with an equalized property tax rate in excess of the statewide average property tax rate are entitled to Revenue Sharing II distributions

	Actual							December 1, 2024 RFC Revenue Forecast		
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Revenue Sharing	69,338,529	74,095,532	113,613,360	156,047,730	232,362,929	263,395,959	260,093,499	278,733,756	275,823,193	283,400,535

Office of Fiscal and Program Review - <u>Summary of Major State Funding Disbursed to Municipalities and Counties (November 2024)</u> 11249

RESIDENTIAL RELIEF PROGRAMS

Homestead Exemption:
The Homestead Exemption provides a $25,000 reduction in the just value of a qualifying individual's homestead. To be eligible, the individual must 1) have owned a homestead in Maine for the previous 12 months, and 2) the homestead must be their permanent residence. MRS reimburses municipalities for 76% of the tax lost by the municipalities as a result of the Homestead Exemption.   The individual must apply with their local assessor by April 1 of the first year they are requesting the exemption.

Veterans Exemption:
The Veterans Exemption provides a $6,000 reduction in just value for a qualifying veteran. The reduction increases to $7,000 for WWI veterans, and $50,000 for paraplegic veterans. To be eligible, the veteran must 1) be at least 62 or be receiving a pension for total disability, and 2) must have served during a recognized service period or receiving a pension for total-service connected disability. MRS reimburses municipalities for a portion of the tax lost by the municipalities as a result of the Veterans Exemption (generally 50%). The individual must apply with their local assessor by April 1 of the first year they are requesting the exemption.

Blind Exemption:
The Blind Exemption provides a $4,000 reduction in just value for a qualifying individual. To be eligible, the individual must have been determined to be blind by a medical doctor. The individual must apply with their local assessor by April 1 of the first year they are requesting the exemption.

Renewable Energy Equipment Exemption:
The Renewable Energy Equipment Exemption exempts certain renewable energy equipment from property tax. To qualify as exempt wind energy equipment, the energy must be used on site or be subject to net energy billing. For solar energy equipment, the energy must be used on site, collocated with a net energy billing customer subscribed to at least 50% of the output, or have a net energy billing agreement fully executed prior to June 1, 2024. The program provides a 100% exemption for eligible equipment, and MRS reimburses the municipality for 50% of the tax lost as a result of the exemption. The individual must apply with their local assessor by April 1 of the first year they are requesting the exemption.

State Property Tax Deferral Program:
The State Property Tax Deferral Program allows certain individuals to defer payment of property taxes on their homestead until they pass away, move, or sell the home. To be eligible, the individual must 1) be at least 65 or be unable to work due to a permanent and total disability, 2) have income less than $80,000, and 3) have assets less than $100,000 ($150,000 if multiple owners). The State will pay the property taxes on the qualifying individual's homestead to the municipality each year and will place a lien on the property. When the participant passes away, moves, or sells property, the deferred tax plus interest comes due and must be repaid. The individual must apply with their local assessor by April 1 of the first year they are requesting the to participate in the program.

Property Tax Fairness Credit:
The Property Tax Fairness Credit allows eligible Maine taxpayers to receive credit for a portion of the property tax or rent paid during the tax year on their Maine individual income tax return, whether they owe Maine income tax or not. To be eligible, individuals must 1) be Maine residents during any part of the tax year, 2) have owned or rented a home in Maine during any part of the tax year and lived in that home during the year as a primary residence, 3) have paid property tax or rent on the primary residence in Maine during the tax year, and 4) meet certain income and property tax and/or rent paid limitations during the tax year. The credit may be up to $1,000 (or $2,000 for those 65+) and is refundable.

BUSINESS RELIEF PROGRAMS

Business Equipment Tax Exemption:
The Business Equipment Tax Exemption ("BETE") exempts certain non-retail business property from property tax. The exemption applies to depreciable property that is used exclusively for a business purpose and that was first placed into service in Maine after April 1, 2007. The program provides a 100% exemption for eligible equipment, and MRS reimburses the municipality for 50% of the tax lost as a result of the exemption. Persons must apply with their local assessor by April 1 each year to maintain the exemption.

Business Equipment Tax Reimbursement:
The Business Equipment Tax Reimbursement ("BETR") program reimburses taxpayers for the property taxes paid on certain business property. Reimbursement is allowed for depreciable property that is used exclusively for a business purpose and that was first placed into service in Maine between April 1, 1995 and April 1, 2007. Reimbursement is also allowed for retail property placed into service in Maine at any time after April 1, 1995. The program provides a 100% reimbursement for taxes paid on eligible equipment for the first 12 years, with a sliding scale after year 12 that bottoms out at 50% reimbursement for years 18 and after. Persons must apply with Maine Revenue Services ("MRS") between August 1 and December 31 for reimbursement of property taxes paid in the prior calendar year.

Renewable Energy Equipment Exemption:
The Renewable Energy Equipment Exemption exempts certain renewable energy equipment from property tax. To qualify as exempt wind energy equipment, the energy must be used on site or be subject to net energy billing. For solar energy equipment, the energy must be used on site, collocated with a net energy billing customer subscribed to at least 50% of the output, or have a net energy billing agreement fully executed prior to June 1, 2024. The program provides a 100% exemption for eligible equipment, and MRS reimburses the municipality for 50% of the tax lost as a result of the exemption. The individual must apply with their local assessor by April 1 of the first year they are requesting the exemption.

Tree Growth Tax Law Program:
The Tree Growth Tax Law program provides for valuation of land based on its current use as forest land, rather than based on its highest and best use. The purpose of the program is to encourage forest landowners to keep their lands as active forest lands instead of developing those lands. MRS sets the per acre rates for the different types of forest land by county each year based on harvesting data from the Department of Agriculture, Conservation, and Forestry. MRS reimburses municipalities for 90% of the tax lost by the municipalities as a result of having property in the Tree Growth program. Persons must apply with their local assessor by April 1

of the first year they are requesting the to participate in the program. They must also file updated applications, including forest management plans, with their local assessor every 10 years.

Farmland Tax Law Program:
The Farmland Tax Law program provides for valuation of land based on its current use as farmland, rather than based on its highest and best use. The program was adopted to encourage the preservation of farmland and to protect that land from competing, higher-valued uses. The Farmland program allows the valuation of farmland based on its current use as farmland, rather than based on its just value for other potential uses. This reduced land value results in lower property tax bills for owners of farmland. Lower taxes are designed to act as an incentive to preserve Maine's farming community. Persons must apply with their local assessor by April 1 of the first year they are requesting the to participate in the program.

Open Space Tax Law Program:
The Open Space Tax Law program provides for valuation of land based on its current use as open space land, rather than based on its highest and best use. The program was adopted to encourage the preservation of open space and to protect that land from competing, higher-valued uses. To qualify for the Open Space program, land must be preserved or restricted for uses providing a public benefit. The program allows for a reduction of between 20% and 95% in the value of qualifying open space land. Persons must apply with their local assessor by April 1 of the first year they are requesting the to participate in the program.

Working Waterfront Tax Law Program:
The Working Waterfront Tax Law program provides for valuation of land based on its current use as working waterfront, rather than based on its highest and best use. The program was adopted to encourage the preservation of working waterfront and to protect that land from competing, higher-valued uses. To qualify for the Working Waterfront program, land must be used primarily or predominately for commercial fishing activities or to provide access for commercial fishing activities. The program allows for a reduction of between 20% and 60% in the value of qualifying working waterfront land. Persons must apply with their local assessor by April 1 of the first year they are requesting the to participate in the program.

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027
Homestead Exemption	$ 50,183,013	$ 64,517,376	$ 68,079,082	$ 88,841,135	$ 94,405,007	$ 92,781,717	$ 90,260,909	$ 85,092,712	$ 92,000,000	$ 95,000,000
Veterans Exemption	$ 1,223,869	$ 1,254,502	$ 1,234,629	$ 1,209,922	$ 1,181,329	$ 1,069,409	$ 989,873	$ 897,386	$ 1,400,000	$ 1,400,000
Blind Exemption	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Renewable Energy Exemption	$ -	$ -	$ -	$ -	$ 214,500	$ 530,603	$ 1,454,698	$ 3,681,014	$ 5,500,000	$ 6,500,000
State Property Tax Deferral	$ -	$ -	$ -	$ -	$ 844,370	$ 160,439	$ 282,468	$ 803,965	$ 1,500,000	$ 1,500,000
Property Tax Stabilization	$ -	$ -	$ -	$ -	$ -	$ -	$ 30,000,000	$ -	$ -	$ -
Property Tax Fairness Credit	$ 15,400,000	$ 25,900,000	$ 25,700,000	$ 40,700,000	$ 49,480,000	$ 73,025,000	$ 77,790,000	$ 110,065,000	$ 112,735,000	$ 112,985,000
Business Equipment Tax Exemption	$ 35,584,483	$ 43,161,952	$ 49,194,722	$ 54,031,628	$ 58,399,654	$ 62,848,008	$ 64,779,045	$ 69,210,000	$ 73,380,000	$ 77,710,000
Business Equipment Tax Reimbursement	$ 29,863,832	$ 24,913,358	$ 25,490,793	$ 21,961,345	$ 19,625,176	$ 18,666,066	$ 18,095,129	$ 17,000,000	$ 16,000,000	$ 15,000,000
Tree Growth Reimbursement	$ 7,600,000	$ 7,599,997	$ 7,600,000	$ 7,599,999	$ 9,991,414	$ 10,911,893	$ 11,470,716	$ 12,428,948	$ 13,200,000	$ 13,200,000
TOTALS	**$ 139,855,197**	**$ 167,347,185**	**$ 177,299,226**	**$ 214,344,029**	**$ 234,141,450**	**$ 259,993,135**	**$ 295,122,838**	**$ 299,179,025**	**$ 315,715,000**	**$ 323,295,000**

OPTIONAL MUNICIPAL RELIEF PROGRAMS

Municipal Property Tax Deferral for Senior Citizens:
The Municipal Property Tax Deferral program allows municipalities the option of enacting, by ordinance, a property tax deferral program to help senior homeowners stay in their homes. Under the program, certain individuals are allowed to defer payment of property taxes on their homestead until they pass away, move, or sell the home. To be eligible, the individual must meet certain age, income, and ownership requirements. When the participant passes away, moves, or sells property, the deferred tax plus interest comes due and must be repaid to the municipality. The individual must apply with the municipality as described in the municipal ordinance.

Municipal Property Tax Assistance Program:
The Municipal Property Tax Assistance program allows municipalities the option of enacting, by ordinance, a program to provide benefits to persons with homesteads in the municipality. Any program adopted by a municipality must 1) require the applicant to have owned a homestead in the municipality for a certain period of time, 2) provide benefits for both renters and owners, and 3) provide greater benefits proportionally to applicants with lower incomes. In addition, the program may also provide additional benefits to veterans within the municipality, and for seniors who volunteer for the municipality. The individual must apply with the municipality as described in the municipal ordinance.

Municipal Partial Deferral and Stabilization Program: The Municipal Partial Deferral and Stabilization Program permits municipalities to establish by ordinance a program to allow seniors with homesteads in the municipality to stabilize their property taxes, by allowing them to defer any future tax increases above the stabilized amount until they pass away, move, or sell the home. A participating municipality must include in its ordinance age, income, and residency requirements for the program. Residents of a municipality that are participating in the State Property Tax Deferral Program may not participate in this municipal program.

MAINE BUDGET STABILIZATION FUND

Budget Stabilization Funds (aka Rainy-day funds) are budget reserve funds for use when revenues fall during recessionary periods. General Fund revenues rely heavily on income and sales taxes, which vary a great deal over business cycles, and fall during recessions. General Purpose Aid, Revenue Sharing, and the other property tax relief programs listed above represent a significant percentage of General Fund spending. Sustaining these General Fund programs during recessionary periods requires a Budget Stabilization Fund at a level that prevents cuts in state aid to municipalities and local property taxpayers, or at the very least minimizes the severity of those cuts during recessions. For more on the sufficiency of Maine's Budget Stabilization Fund please refer to the latest Stress-Test Report 9043 (maine.gov)

The Maine Budget Stabilization Fund, formerly known as the "Rainy Day Fund", was restructured in Public Law 2005, Chapter 2 and recently updated in Public Law 2021, Chapter 398, to be expended primarily to offset a general fund revenue shortfall. Amounts in the stabilization fund may not exceed 18% of the total General Fund revenues in the immediately preceding state fiscal year, and except as provided by 5 MRSA §1533, may not be reduced below 1% of total General Fund revenue in the immediately preceding state fiscal year. If the stabilization fund is at its limit of 18% of General Fund revenue of the immediately preceding year, then amounts that would otherwise have been transferred to the stabilization fund must be transferred to the Maine

Department of Transportation's Highway and Bridge Capital program in accordance with 5 MRSA §1536, sub-§3. The following table displays the fund's deposit and withdrawal history since FY2005.

Fiscal Year Ending June 30th	Maine Budget Stabilization Fund (Formerly Maine Rainy Day Fund)									Ending Balances as a % of General Fund Revenue
	Beginning Balance	Deposits: GF Available Year-end, Unappropriated Surplus or "Cascade"	"Specified" Deposits: GF Unappropriated Surplus	Transfer to GF	Transfer to Programs	Interest Earned	Ending Balance	Statutory Cap	General Fund Revenue	
2005	33,158,244	13,121,679						46,279,923	279,084,505	2,790,845,053	2.50%
2006	46,279,923	30,662,369			-	-	2,960,695	79,902,987	351,819,082	2,931,825,687	4.1%
2007	79,902,987	-	29,000,000		-		6,576,879	115,479,866	362,351,447	3,019,595,389	5.2%
2008	115,479,866	-	10,000,000		-	(100,000)	3,497,143	128,877,009	370,538,280	3,087,818,992	5.5%
2009	128,877,009	-		(131,550,969)	(50,000)	2,919,303		195,343	337,364,195	2,811,368,295	0.0%
2010	195,343	19,626,525	5,597,244	-		(50,000)	15,970	25,385,082	330,681,900	2,755,682,500	1.3%
2011	25,385,082	46,080,951				(50,000)	50,781	71,466,814	353,394,811	2,944,956,756	3.0%
2012	71,466,814	-	4,000,000	(30,855,982)	(50,000)	247,677		44,808,509	361,864,587	3,015,538,222	2.1%
2013	44,808,509	55,065,933		(40,253,091)	(50,000)	129,123		59,700,474	371,326,061	3,094,383,842	2.0%
2014	59,700,426	8,453,337		-	(50,000)	167,728		68,271,491	373,619,632	3,113,496,933	2.4%
2015	68,271,491	23,854,159	18,803,702		(100,000)	254,141		111,083,493	599,278,778	3,329,326,547	3.3%
2016	111,083,493	707,300				561,446		112,352,239	605,914,404	3,366,191,131	3.3%
2017	112,352,239	36,837,024	46,017,246		(50,000)	1,133,541		196,290,050	621,882,695	3,454,903,862	5.7%
2018	196,290,050	76,247,087		(2,000,000)	(200,000)	2,524,023		272,861,160	645,781,652	3,587,675,847	7.6%
2019	272,861,160	18,123,960	19,800,000	(19,194,185)	(100,000)	5,718,984		297,209,920	692,731,996	3,848,511,092	7.7%
2020	297,209,920	-	17,431,338	(60,305,815)	(100,000)	4,511,388		258,746,831	714,481,866	3,969,343,702	6.5%
2021	258,746,831	223,607,793	8,000,000	0	(200,000)	1,760,856		491,915,480	813,706,406	4,520,591,145	10.9%
2022	491,915,480	401,897,486	0	0	(300,000)	2,483,732		895,996,698	970,490,442	5,391,613,569	16.6%
2023	895,996,698	52,371,763	315,496			19,624,605		968,308,562	968,308,562	5,379,492,013	18.0%
2024	968,308,562							968,308,562	963,497,278	5,352,762,655	18.1%

*Public Laws 2017 chapter 284, Part EEEEEEE and 2019 chapter 343, Part KKKK directed the State Controller to transfer a total of $79.5 million from the Budget Stabilization Fund to a reserve account to cover disallowed federal participation at the Riverview Psychiatric Center. Repayment to the Centers for Medicare and Medicaid Services were completed during fiscal year 2020. A balance of $314,496 was returned to the Budget Stabilization Fund in fiscal year 2023.

Public Law 2023, chapter 643, Part UUUU includes the transfer of $60 million from the MBSF to municipal, state or regionally significant infrastructure adaptation, repair and improvements that support public safety, protection of essential community assets, regional economic needs and long-term infrastructure resiliency and to provide grant opportunities for businesses and organizations, including nonprofit organizations, affected by severe weather-related events. Those transfers will occur in FY2025 based on the effective date of the law.

RECENT PROPERTY TAX TRENDS

Residential % of Tax Commitment

Annual growth in statewide property tax commitment
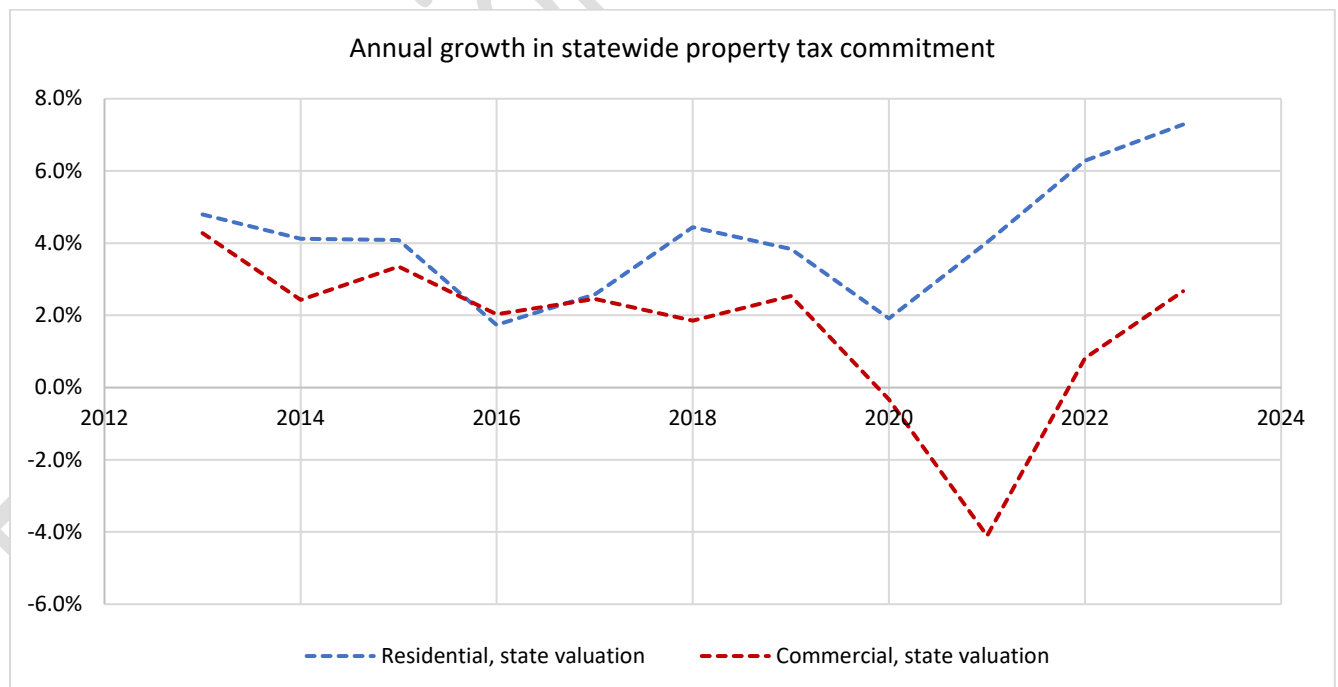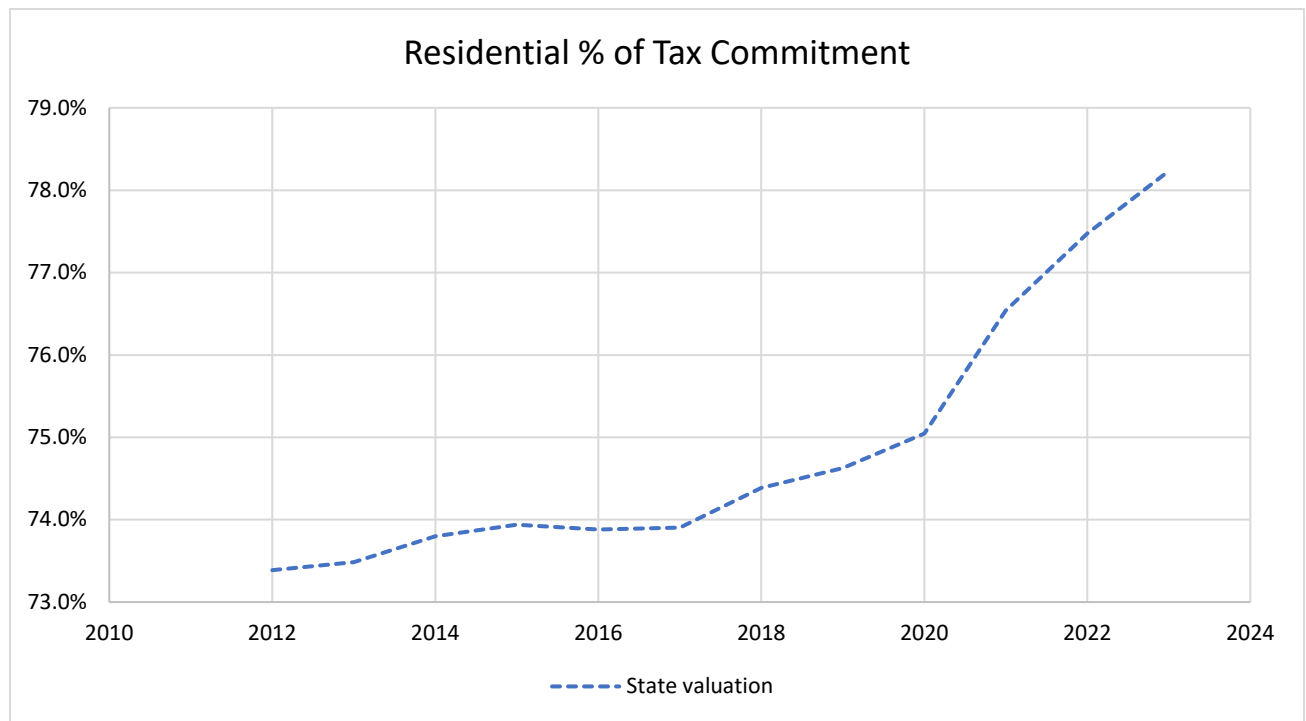
APPROACHES OTHER STATES HAVE TAKEN TO REDUCE PROPERTY TAXES OR MAY BE PRESENTED BY THE 132ND LEGISLATURE

Consolidation of Municipal Services and Schools to achieve cost efficiencies: Reducing local government costs will translate into lower property taxes.

Property Tax Limitations: Limitations like Proposition 2.5 in MA and Proposition 13 in CA. Limitations can be on the tax rate and/or the assessed value of property. Note, the ME Constitution may prohibit limitations on the assessed value of certain properties.

Split-Rate Taxation: The ability to tax different types of property at different rates. For example, being able to tax homestead property at a lower rate than second/vacation homes or commercial property, or taxing land at a higher rate than structures. Note, the ME Constitution likely may prohibit a split tax rate.

Statewide Property Tax with a Large Homestead Exemption: This may be a way another way to achieve a split tax rate but may be prohibited by the ME Constitution. Revenue raised would be returned to the municipalities through revenue sharing or EPS.

Expand the Authority of Municipalities to Impose Service Charges:
Current law limits the imposition to only residential property that is used to provide rental income. Amendment broadens the law to allow imposition of service charges on any property owned by an organization exemption under 36 M.R.S. § 652, which includes a wide range of institutions and organizations. This helps municipalities with a high percentage of tax-exempt property to diversify their tax base. Further limit to entities with $10+ million of assets. **LD 1521 "An Act to Amend the Property Tax Laws" Rep. Hilliard, 128th Legislature**

Property Tax Stabilization Program for Senior Citizens: LD 290 "An Act To Stabilize Property Taxes for Individuals 65 Years of Age or Older Who Own a Homestead for at Least 10 Years" Sen. Stewart, 130th Legislature
Reestablish the Property Tax Stabilization program that was repealed for property tax years beginning on or after April 1, 2024.

Allow a targeted local option sales tax: A local option sales tax that is on a limited set of goods and services (e.g. lodging, prepared foods) that piggybacks off the state level sales tax base is a way for municipalities to diversify their tax base and lower their reliance on the property tax. Although the boundaries are unclear, and the specific statutory language and circumstances would need to be considered, a local option sales tax may raise potential constitutional concerns.

PROPERTY TAX REFERENCE MATERIALS

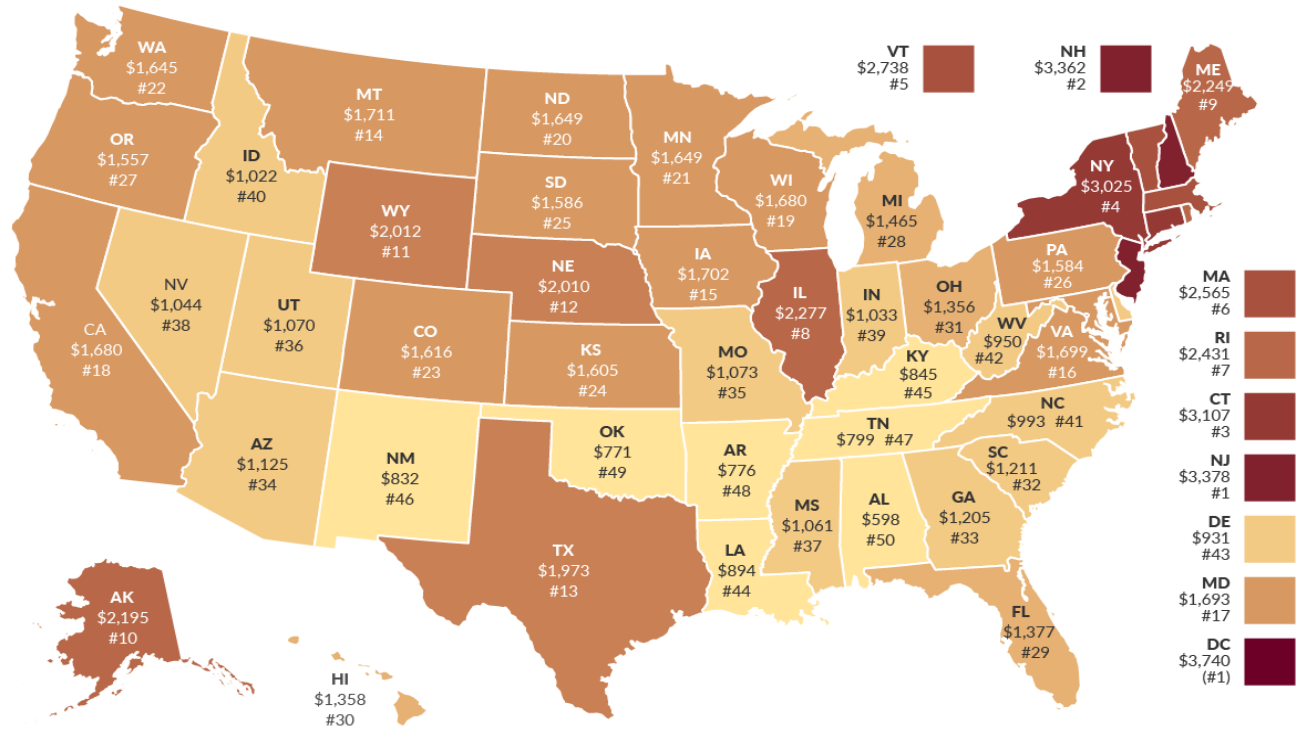[Property Tax Relief & Reform Options | Tax Foundation](#)

[Policymakers Unwisely Propose Cutting Property Taxes in Favor of Sales Taxes – ITEP](#)

[Property Tax Circuit Breakers Can Help States Create More Equitable Tax Codes – ITEP](#)

[Home - Lincoln Institute of Land Policy](#)

How Much Does Your State Collect in Property Taxes per Capita?

State & Local Property Tax Collections per Capita, Fiscal Year 2018

State	Amount	Rank
WA	$1,645	#22
MT	$1,711	#14
ND	$1,649	#20
MN	$1,649	#21
OR	$1,557	#27
ID	$1,022	#40
WY	$2,012	#11
SD	$1,586	#25
WI	$1,680	#19
MI	$1,465	#28
NY	$3,025	#4
VT	$2,738	#5
NH	$3,362	#2
ME	$2,249	#9
NV	$1,044	#38
UT	$1,070	#36
NE	$2,010	#12
IA	$1,702	#15
IL	$2,277	#8
IN	$1,033	#39
OH	$1,356	#31
PA	$1,584	#26
CA	$1,680	#18
CO	$1,616	#23
KS	$1,605	#24
MO	$1,073	#35
KY	$845	#45
WV	$950	#42
VA	$1,699	#16
AZ	$1,125	#34
NM	$832	#46
OK	$771	#49
AR	$776	#48
TN	$799	#47
NC	$993	#41
SC	$1,211	#32
TX	$1,973	#13
LA	$894	#44
MS	$1,061	#37
AL	$598	#50
GA	$1,205	#33
AK	$2,195	#10
HI	$1,358	#30
FL	$1,377	#29
MA	$2,565	#6
RI	$2,431	#7
CT	$3,107	#3
NJ	$3,378	#1
DE	$931	#43
MD	$1,693	#17
DC	$3,740	(#1)

State & Local Property Tax Collections per Capita

Lower ——— Higher

Note: D.C.'s rank does not affect states' ranks, but the figure in parentheses indicates where it would rank if included.

Sources: U.S. Census Bureau, "Annual Survey of State and Local Government Finances"; Tax Foundation calculations.
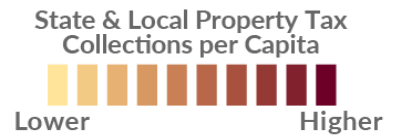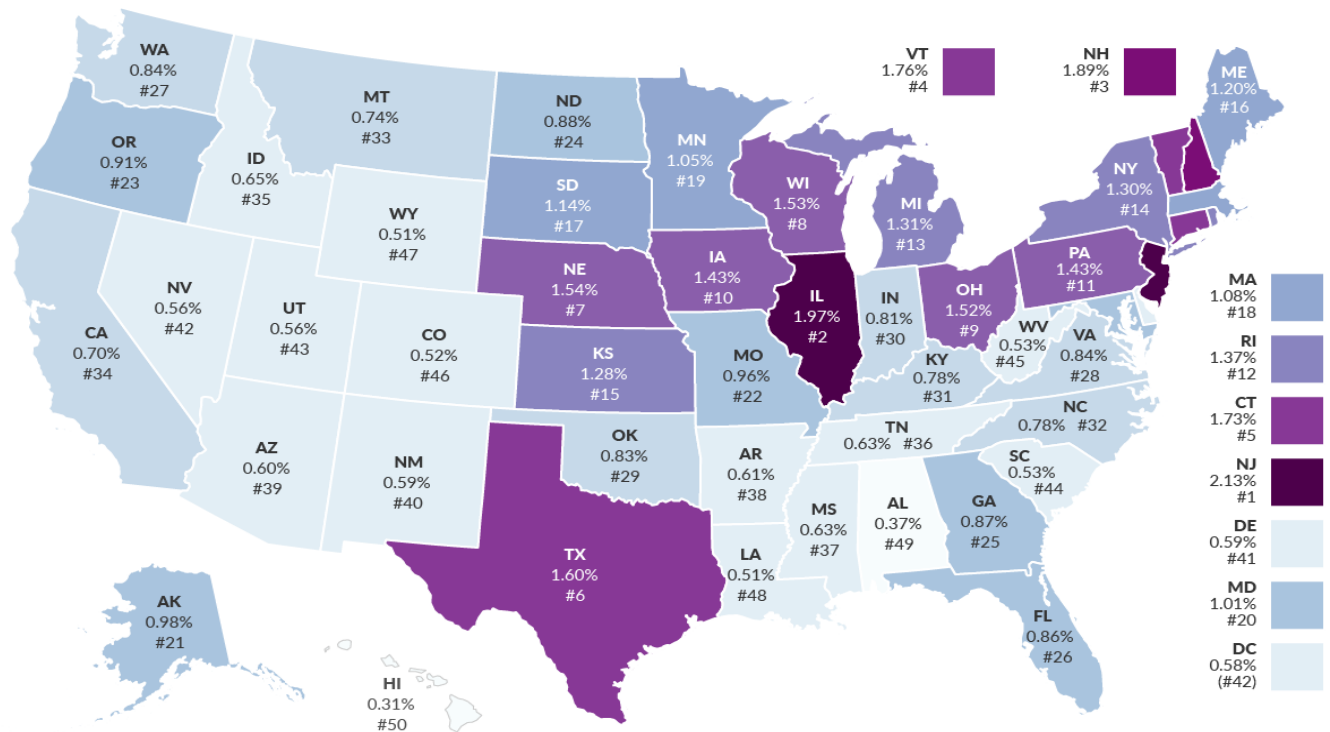
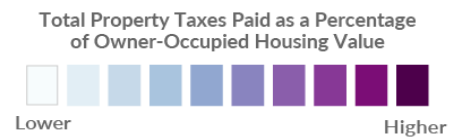TAX FOUNDATION   @TaxFoundation

How High Are Property Taxes in Your State?

Property Taxes Paid as a Percentage of Owner-Occupied Housing Value, 2019

WA 0.84% #27
MT 0.74% #33
ND 0.88% #24
MN 1.05% #19
VT 1.76% #4
NH 1.89% #3
ME 1.20% #16
OR 0.91% #23
ID 0.65% #35
SD 1.14% #17
WI 1.53% #8
MI 1.31% #13
NY 1.30% #14
WY 0.51% #47
NE 1.54% #7
IA 1.43% #10
PA 1.43% #11
NV 0.56% #42
UT 0.56% #43
CO 0.52% #46
IL 1.97% #2
IN 0.81% #30
OH 1.52% #9
CA 0.70% #34
KS 1.28% #15
MO 0.96% #22
WV 0.53% #45
VA 0.84% #28
AZ 0.60% #39
NM 0.59% #40
OK 0.83% #29
AR 0.61% #38
TN 0.63% #36
NC 0.78% #32
SC 0.53% #44
TX 1.60% #6
LA 0.51% #48
MS 0.63% #37
AL 0.37% #49
GA 0.87% #25
AK 0.98% #21
FL 0.86% #26
HI 0.31% #50

MA 1.08% #18
RI 1.37% #12
CT 1.73% #5
NJ 2.13% #1
DE 0.59% #41
MD 1.01% #20
DC 0.58% (#42)

Total Property Taxes Paid as a Percentage of Owner-Occupied Housing Value

Lower ——— Higher

Note: The figures in this table are mean effective property tax rates on owner-occupied housing (total real taxes paid/total home value). As a result, the data exclude property taxes paid by businesses, renters, and others. D.C.'s rank does not affect states' ranks, but the figure in parentheses indicates where it would rank if included.

Sources: U.S. Census Bureau, "2019 American Community Survey"; Tax Foundation calculations.

Maine has the highest percentage of second homes in the country, and a high percentage are owned by nonresidents who pay the local property taxes on those properties. Those taxes on highly valued properties being paid by nonresidents are included in the numerator of the tax burden calculation but the personal income measure in the denominator is only for Maine residents, making the tax burden on Maine residents look higher than it really is.

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Appendix D

Resources on Policy Options for Education Funding and Taxation

General Information:

https://taxfoundation.org/data/all/state/property-taxes-by-state-county/

https://files.eric.ed.gov/fulltext/ED626080.pdf

Maryland's Comprehensive Approach:

https://marylandpublicschools.org/about/Pages/OFPOS/StateAid/index.aspx#:~

https://blueprint.marylandpublicschools.org/funding-2/

Individual Level Relief

Property tax freezes and caps for seniors:

https://comptroller.texas.gov/taxes/property-tax/exemptions/

https://www.tax.ny.gov/pit/property/exemption/seniorexempt.htm

Property tax deferral:

https://www.boe.ca.gov/proptaxes/postponement.htm

https://dor.wa.gov/taxes-rates/property-tax/property-tax-exemptions-and-deferrals

https://colorado.propertytaxdeferral.com/home

General Taxation Approaches

Local corporate taxation:

https://www.bankrate.com/taxes/ohio-state-taxes/

Taxation of unearned income:

https://www.phila.gov/services/payments-assistance-taxes/taxes/income-taxes/school-income-tax/

Varying effective property tax rates:

https://go.lincolninst.edu/50-state-property-tax-comparison-for-2023-exec-summary.pdf

https://www.revenue.state.mn.us/state-general-property-tax

Statewide caps on raising local funds:

https://www.boe.ca.gov/proptaxes/pdf/pub29.pdf

https://www.legislature.mi.gov/Laws/MCL?objectName=mcl-380-1211&utm

https://www.leg.state.nv.us/Division/Research/Documents/RTTL_2021_AB495_Sec60_2022.pdf

https://www.lwm-info.org/823/Levy-Limits-Explanation-and-Strategies

Taxation Approaches Specific to Education Finance

Statewide education property tax:

https://tax.vermont.gov/property/education-property-tax-rates/faqs

Recapture:

https://tea.texas.gov/finance-and-grants/state-funding/excess-local-revenue

https://www.texaspolicyresearch.com/understanding-recapture-in-texas-public-school-finance/

Referendum equalization:

https://www.house.mn.gov/SessionDaily/Story/17701

https://www.revisor.mn.gov/statutes/cite/126C.17

https://www.oregonlegislature.gov/lro/Documents/K-12%20and%20ESD%20Finance%20RR%20August%202024%20Final.pdf

https://prichardcommittee.org/how-has-seek-funding-shifted-since-2008/