

**Education and Cultural Affairs
Committee**
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Special Education: Service Agency Models & EPS Cost Model Recommendations

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Overview

- **Special Education Challenges**
 - Funding model inequities
- **Education Service Agencies (ESAs)**
 - Examples
 - Potential benefits
 - Limitations
 - Considerations
- **Interim EPS recommendations**

Funding Adequacy Challenges

- Very large variation in spending patterns.
 - Reports of underspending (lack of access to services)
 - Reports of overspending (litigation, hiring ed techs to compensate for lack of better options)
- **Spending data is unreliable indicator of adequacy for cost modeling.**

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Contextual Challenges

- Rising identification rates
 - From 16% in FY15 to 20% in FY25
 - 86% increase in Autism; 48% increase in OHI
 - National rate is 15% (Maine was in top 4)
 - Lack of services in some areas
 - Inadequate MTSS (early intervention) systems
- **All of these factors drive up spending.**
- **The funding model cannot fix an inequitable system.**

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Funding Inequity: Step 6 Patterns (FY2020)

District poverty level	N	Pupils w IEPs	Total MOE (\$Millions)	Avg. MOE adj. per pupil
Lowest 33%	63	11,121	\$36.7	\$3,839
Middle 33%	64	10,894	\$26.2	\$2,421
Highest 33%	63	8,998	\$19.9	\$1,307
<i>Total</i>	<i>190</i>	<i>31,013</i>	<i>\$83.0</i>	<i>\$2,522</i>

Program Inequities: Unequal Access

1. Financial data stories (handout)

- Access to regular classroom placements, special purpose schools, and speech services

2. MADSEC perspectives

- Uneven access to services
 - o Uneven access to robust general education, including MTSS interventions

Educational Service Agencies

What are they?

- Middle layer* of administration between local districts and the state agency
- Provide instructional support, management, planning, programs and/or services to local education agencies
- The primary role of the ESA is service to its constituent districts and schools, not regulation.

Source: Association of Educational Service Agencies

* Also sometimes called Intermediate Education Units (IEUs)

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Membership Types

1. Required – all districts belong to an ESA
2. Required for some
 - E.g. Montana: Small units must participate for special education
3. ESA is available for every SAU, but membership is optional
4. Districts create their own ESAs (**Maine**, AL)
5. No ESAs (VT, ID, NV, MS, OK)

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Common ESA services

- Special education
- CTE
- Admin services (HR/payroll, billing, purchasing, legal)
- Professional development & new teacher mentoring
- Curriculum development
- Instructional technology and student data support

ESAs for Special Education

- Federal law allows ESAs to act as the primary Local Education Agency in providing special education services (usu. called “IEU”)
 - Our CDS system for ch 619 is an ESA / IEU
- More commonly the ESA provides some services, and the local district holds the master IEP files and oversight responsibility
- Some ESAs operate specialized programs or schools; others are shared services only

ESAs in Maine

Education Service Centers (Title 20-A, Ch 123 since 2019)

- Approved ESCs receive direct funding for 55% of Director's salary and benefits, plus some administrative services
- 2 or more districts cooperating on 2 or more shared services
- 13 currently listed at www.maine.gov/doe/schools/embrace

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ESAs in Maine, cont.

- 4 ESCs include some special education services
 - Hancock (3 SAUs)
 - Bangor area PREP (37 SAUs) *
 - Rocky Channels (Mid Coast) (4 SAUs)
 - Sheepscot (3 SAUs + 8 affiliates) *

* = includes shared regional program for students with specialized needs

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Regional Collaboration in Maine

- 47 SAUs belong to ESCs (out of 250+)
- Some ESCs have dissolved or stopped sharing special education services

Additional arrangements include:

- AOSes and SAU Unions
- Tuition agreements
- Supt student transfers
- Networks (inc'l MADSEC, SMP, etc.)

Need for Additional Support

- Student performance gap in Maine is large (e.g. 47 point gap on NAEP compared to 41 nationally, 36 point gap in MA)
- If Maine is overidentifying, should expect a *smaller* gap
- Aforementioned uneven access to necessary services and programs

What is Needed

General Education

- Adequate general education foundation, using evidence-based curricula
- Improvements in MTSS intervention systems
- Staff development (teachers and ed techs)

Improved Access to Services & Interventions

- Early screening and expert assessment
- Personnel pipelines, prep programs
- Attention to service “deserts” for students with specialized needs

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How Can ESAs help?

- Conduit for existing MDOE programs, training, guidance
- SPED Director access to additional expertise, consultation
 - Scaling up what already exists
- Improved data collection
 - Review of IEPs
 - Billing systems and support
- Staff development and prep pipelines
- Support for pre-K FAPE transition (3-4 y.o.)

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Limitations of ESAs

- ESAs **do not** create more staff, esp. short term
- No guarantee of reduced costs
 - Efficiencies can be found; e.g. shared provider instead of expensive contracts, telehealth
 - More likely to improve/even out access, could increase costs in short term
- More likely to yield longer-term benefits and savings. But if not implemented well, just an added layer.

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Major Design considerations

- Governance type
 - State-appointed board, staff oversight
 - Elected board (much like separate school district)
 - Representative board (member SAUs have delegates)
- Funding method
 - Direct state appropriation level
 - Fee-for-services
 - Local taxation, assessment power
 - Federal grantee eligibility

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Contextual considerations

- Free and Appropriate Education (FAPE)
- Least Restrictive Environment (LRE)
- School (& district) choice agreements and traditions
- Local assets (and resource gaps)

Thursday - Superintendent Input

What Regions?

- Superintendent regions, CTE regions, County, something else?

3 sample models

- Highly centralized / state managed
- Some standardized elements, some optional
- Each ESA decides (most similar to current)

Results to be summarized in final report

Suggested Standard Elements

- Management of payments and oversight for students in out-of-district placements (private schools and regional programs)
 - Needs a local cost share
- MaineCare and insurance billing
- Access to expertise for psych assessment and behavior consults
- Common regional schedule for professional development
- Data collection, management, vacancies

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Transitional funding changes needed

- Need to improve adequacy and contain costs while decisions are made
- 2025 report: fixed cost share results were extreme; increased mil rate by 0.56 (8%)
- A more responsive hardship system is needed to provide relief for unexpected costs that arise mid-year.

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Transitional changes recommended - FY28

Model simulation:

- Increase prevalence threshold to 17%
- Eliminate out-of-date High-Cost In-District adjustment
- Freeze Step 6 adjustment, cap at current amount
 - Allow inflation growth?
 - Add a collar (e.g. 80%)?

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Additional Next Steps

- Simulate expanded hardship criteria
- Collect staff data on ed tech and special ed teacher assignments; study underway for MDOE

ESA Development:

- Workgroups on special education infrastructure & supports?
- Revisit 2018 Cost Driver Task Force report?

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