

SUMMARY

This **amendment to the bill** amends several provisions of the Essential Programs and Services Funding Act to more equitably allocate state funds that are appropriated for essential programs and services. The **amendment to the bill** makes the following changes.

1. It amends the definition of "property fiscal capacity" in order to base the local school administrative unit's fiscal capacity on the most recent certified state valuation or the average of the certified state valuation for the 3 years prior to the most recently certified state valuation, whichever is lower. This change provides a more accurate determination of a school administrative unit's fiscal capacity while protecting those school administrative units that are experiencing increasing property valuation.

2. It amends the staffing ratios established to determine the calculation of salary and benefit costs for school-level staff positions by providing a 10% reduction in the staffing ratios for school administrative units with a total school population of less than 1,200 students. This change recognizes that school administrative units with fewer than 1,200 students still have to provide certain levels of instruction, support and administrative positions that do not conform to the existing staffing ratios, which are based on enrollment assumptions that do not apply to approved smaller school administrative units.

3. It amends the EPS per-pupil rate calculated by the Commissioner of Education for each school administrative unit by removing the reduction of federal Title I funds from the calculation for teacher salaries and benefit costs. This change reflects the fact that federal Title I funding is one of several sources of revenue that are allocated to school administrative units and expended to support essential programs and services.

3. Beginning in fiscal year 2012-2013, it amends the additional weights to be applied to the per-pupil count for economically disadvantaged students in a school administrative unit from 0.15 to 0.25

4. Beginning in fiscal year 2012-2013, it amends the regional adjustment in the total operating allocation for school administrative units based on the regional differences in teacher salary costs for the labor market areas in which school administrative units are located by removing the benefits costs for teachers and other school-level staff from the calculation of salary costs. This change

addresses the inequitable treatment of school administrative units with lower teacher salary costs relative to statewide averages due to local economic circumstances.