



131st MAINE LEGISLATURE

LD 280

LR 251(02)

An Act to Make Maine Schools Safer and Healthier by Increasing the Maximum Debt Service Limit

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Education and Cultural Affairs

Fiscal Note Required: Yes

Fiscal Note

Future biennium cost increase - General Fund

Fiscal Detail and Notes

Increasing the major capital maximum debt service limit for school construction projects from \$150 million to \$250 million beginning in fiscal year 2023-24 will not increase the total state and local cost of K-12 public education or the State's share of that cost in the 2024-2025 biennium. According to the Department of Education, sufficient lead time is not available to bring new projects online that would require funding for additional debt service payments until fiscal year 2026-27 at the earliest.

The increased total cost of K-12 public education in fiscal year 2026-27 and beyond from increasing the debt service limit will depend on the number of projects approved and the debt service required for those projects. Unless additional funds are appropriated to cover the increased costs, the distribution of state subsidy to local school administrative units may be impacted.