

February 7, 2025

Testimony on LD 210, An Act Making Unified Appropriations and Allocations from the General Fund and Other Funds for the Expenditures of State Government and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2025, June 30, 2026 and June 30, 2027

Senators Rotundo and Rafferty, Representatives Gattine and Murphy, and members of the Committees on Appropriations and Financial Affairs and Education and Cultural Affairs, my name is Arthur Phillips, and I am an analyst at Maine Center for Economic Policy. I am here to testify regarding maintaining the state's support for 55% of the cost of K-12 education, free school meals, higher education investments, and the free community college program.

Funding 55% of K-12 Public Education (Part C) and Free School Meals

We applaud the Mills Administration for continuing to live up to our state's commitment to funding public schools and ensuring every student is well fed. After many years of falling short of meeting the 55% requirement, and in the contest of rising costs, K-12 school funding is critical. We anticipate future discussions this session about ensuring schools across the state are equitably resourced.

MCCS Free Community College Program – Section Z335

We also applaud the governor's proposal to make permanent the Maine Free Community College Program. This program has diminished barriers to higher education for students from lower-income households and marks a significant boost to the skills of our workforce. However, we recommend it not be limited only to recent high school graduates. Many Maine residents have some college credits but for a variety of reasons (many of them financial) have not been able to complete their degree. These residents, too, should have the opportunity to pursue up to two free years of community college.

Higher Education Funding

We appreciate the Governor's proposal to increase the state appropriations to Maine's higher education institutions, including an additional 4% to the University of Maine System. However, we urge you to seek ways to invest further in our university system so the educators and staff on campuses throughout our state can continue serving our students. Just this week, we learned of the latest in a series of layoffs announced at the University of Southern Maine. Lawmakers and our universities have sought ways to limit increases to tuition and fees in recent years. In this budget, we hope you will seek ways to go further in supporting the educators and workers who drive our higher education institutions.

Tax Fairness

As you consider your choices in this budget, we encourage you to explore ways to raise revenue to pay for public goods that benefit our whole state. Maine has lost hundreds of millions of dollars since the 2011 income tax cuts that primarily benefited the wealthy, and today the

wealthiest 1% in Maine pay a smaller percentage of their income in state and local taxes than do the middle class. As you consider these challenging decisions, we urge you to prioritize ways to make our tax code fairer so that we can have the best public education system that our future leaders deserve.

Thank you for your time. I would be happy to answer any questions.

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