

TESTIMONY NEITHER FOR NOR AGAINST

L.D. 225

AN ACT TO REDUCE PROPERTY TAXES AND FINANCE PUBLIC SCHOOL CONSTRUCTION AND EDUCATION THROUGH A 3 PERCENT SALES TAX ON HOTEL AND LODGING PLACE RENTALS

March 12, 2025

Senator Grohoski, Representative Cloutier, and members of the Taxation Committee, I am Robbie Feinberg, the director of communications and government relations for Maine School Management Association, testifying on behalf of the legislative committees of the Maine School Boards Association and the Maine School Superintendents Association neither for nor against L.D. 225, An Act to Reduce Property Taxes and Finance Public School Construction and Education Through a 3 Percent Sales Tax on Hotel and Lodging Place Rentals.

The dire state of school infrastructure is one of the most urgent issues facing our school districts today. Maine's schools are some of the oldest in the country – the vast majority were built before the 1970s. Unfortunately, the effects of years of underfunding are apparent across our state. Districts have been forced to close down school buildings because of emergency health and safety and risks to students. This not only hurts students and staff – but entire towns – who rely on school buildings for civic engagement and as a place for the community to gather.

This is a crisis. School officials are in wide agreement that more needs to be done – and the state's current funding tools are not sufficient to solve this problem. In the last funding cycle for the Major Capital School Construction process, only 9 projects were approved out of 74 applicants. 96 districts applied for funding in the current cycle. Our schools need assistance, and we know they cannot pay to do the work themselves. Rising construction costs have made it impossible for all-but-the-wealthiest school districts to fund new schools.

Maine needs to find new ways to finance the upkeep of school infrastructure. We are hopeful that the Governor's Commission on School Construction can bring forward new and innovative ways of approaching school construction, and our associations are in full support of any efforts to devote more resources towards school building construction and renovation.

While we support the goals of L.D. 225, the reason that we are testifying “neither for nor against” is because our superintendents and school board members do not feel it is their place to decide how any additional construction funding is raised, and who should fund it. Our members also do not believe that they are in a position to recommend any increased taxes and would leave those decisions up to legislators.

Nonetheless, our associations are encouraged that your committee is considering solutions to address this urgent need and benefit generations of Maine children.

Thank you for your consideration, and I am happy to answer any questions you might have.