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TESTIMONY IN SUPPORT OF

L.D. 242

AN ACT TO EXTEND THE MAXIMUM TIME PERIOD FOR CERTAIN SCHOOL CONSTRUCTION BONDS

April 9, 2025

Senator Rafferty, Representative Noonan Murphy, and members of the Education and Cultural Affairs Committee, I am Steven Bailey, the executive director of the Maine School Management Association, testifying on behalf of the legislative committees of the Maine School Boards Association and the Maine School Superintendents Association in support of L.D. 242.

We view this bill as a simple, common-sense measure that would align Maine's school construction financing rules and provide more financial assurance to residents.

Last year, the legislature approved L.D. 232, which allowed Maine school districts to issue construction bonds up to 30 years in length, instead of the previous maximum of 25. This was a positive change. School construction costs have skyrocketed across our state, and L.D. 232 gave school districts another tool to lessen the yearly financial impact of these projects on taxpayers.

However, after that law passed, it was discovered that this change did not apply to projects using "bond anticipation notes." These notes are sometimes issued by a district to provide initial funding for a school construction project. This bill would simply align the statute, and would allow schools using this method to extend their bond timeline to up to 30 years.

Our students and staff deserve school infrastructure that is updated and ready to meet the needs of today. We expect this bill will provide more flexibility in the school construction process, in a manner that provides financial security to local taxpayers. We urge you to vote "Ought to Pass" on L.D. 242.