



Town of Cape Elizabeth

TO: Senator Margaret Rotundo, Representative Drew Gattine (Co-Chairs)
Members of the Committee on Appropriations and Financial Affairs

DATE: April 17, 2025

RE: LD 363- An Act to Authorize a General Fund Bond Issue to Create the School Capital Improvement Fund.

Good afternoon, Senator Rotundo, Representative Gattine, and members of the committee.

My name is Patrick Fox. I am the Town Manager in Cape Elizabeth and writing in support of LD 363.

The Maine Department of Education has stated that the State bears the major financial burden of capital costs in most school units, providing an unprecedented \$580 million since 2019 for school renovation and construction. However, the current "all or nothing" funding model for new schools means that very few communities actually benefit from this.

The \$580 million allocated is enough to build approximately 7 new schools at \$80 million each. While this is a windfall for these few, it leaves many communities waiting and detracts from districts' primary focus: education.

Communities face a difficult choice: allow their schools to deteriorate for years to move up the State funding list, or resort to a locally funded option when residents decide they've had enough. Locally funded projects can heavily impact the local property tax base and often lead to years of community division before approval.

I urge you to use bill LD 363 to make the School Capital Improvement Fund work for everyone. Please consider revising the new school funding formula to leverage local dollars by distributing the next \$580 million as 25% to 50% matching funds for new school construction. This approach could help construct 15 to 30 new schools. Communities currently facing 10% to 12% property tax increases for locally funded projects could see impacts reduced to 5% to 9% under a matching funds model. This significant shift would likely lead to projects being approved on the first referendum, avoiding prolonged and contentious community debates.

Let's adopt collaborative funding models to ensure that all our educational facilities are well-maintained, rather than creating a system of winners and losers.