## TESTIMONY IN SUPPORT OF

## L.D. 363

## AN ACT TO AUTHORIZE A GENERAL FUND BOND ISSUE TO CREATE THE SCHOOL CAPITAL IMPROVEMENT FUND

April 20, 2025

Senator Rotundo, Representative Gattine, and members of the Appropriations Committee, I am Roy Gott, former member and chair of the Regional School Unit No. 24 Board of Directors from the Town of Franklin. I presently serve as Vice-President of the Maine School Boards Association and represent that body on the Governor's Commission on School Construction. I am not speaking on behalf of any of these bodies, but as a private individual with the benefit of the perspective they afford.

The Governor's Commission on School Construction has recently submitted its interim summary report with recommendations for policy and program changes based on observations contained within that report to follow later this year. To say that the challenge of funding major capital construction projects over the next twenty years seems insurmountable would be an understatement. Among this report are a number of ideas that this bill speaks to which I think are worthy of pursuit.

Commission members have repeatedly acknowledged and reiterated the importance of diversifying funding sources. Funding for major capital construction has remained a similar percentage of the overall General Purpose Aid for Schools over the course of the last few decades. Meanwhile, since 1990, the cost for new construction has increased by a factor greater than six – from \$100.00/sq ft to \$660/sq ft presently. A conservative estimate for the construction and renovation needs over the next 20 years is \$11 billion in today's dollars. Continuing the status quo is no longer an option without failing our students. We need to consider new and expanded ways to fund school construction in Maine and this would be a good start.

A common concern heard by the commission is that there is practically no route forward for districts with smaller projects – renovations or expansions instead of whole-school replacement. The Revolving Renovation Fund is capped at \$2 million per priority per school building within any 5-year period. Due to funding limitations, only Priority 1 projects – and not all of them – have been funded in recent years. In RSU 24, our new middle/high school for a 550 student population – a small school by the standards of the State Board of Education – cost \$43 million when a bid was accepted around 2019. The proposed legislation seems to provide an avenue by which projects in this unserved middle ground could be funded and in doing so, prevent these medium-sized projects from rising to the level of requiring a new school in its entirety.

While in most major capital construction projects there is usually a local share as determined through negotiation between the district and the Department of Education, the general concept is that the project will be majority funded by the state. Commission members have expressed that in a number of communities where there exists *some* capacity to raise a portion of the funds for school construction, a

mechanism to request partial funding for a proposed project might be enough to get their communities enough critical mass to pass a funding measure locally. The commission as yet has not expressed an opinion on a fixed percentage or a sliding scale. That this bill proposes to provide 50% funding for approved projects is a step in a direction the commission is interested in pursuing and would be informative in seeing how such a model could function going forward in general.

Overall, I strongly support the ideas in this L.D. It is in alignment with several observations and paths for further inquiry found in the commission's report and it will further the important work of improving and modernizing the inventory of school facilities in the State of Maine.

Thank you for your consideration. I'm happy to take any questions you might have.