

Senator Rafferty, Representative Brennan, and members of the Joint Standing Committee on Education and Cultural Affairs:

My name is Dr. Kristy Ouellette, and I am a member of the school board for Regional School Unit 4, which serves the communities of Sabattus, Wales, and Litchfield. I am testifying neither for nor against LD 2226 but would like to share several observations based on my experience as a school board member, parent, and community member in RSU4.

I appreciate the Legislature's continued work to review and improve Maine's Essential Programs and Services (EPS) formula so that it more accurately reflects the real costs of educating students across the state.

Several elements of LD 2226 move in a positive direction. The proposed increase in the special education prevalence threshold from 15 percent to 17 percent is a starting point in recognizing the reality that many Maine districts now serve significantly more students with disabilities than the original EPS assumptions anticipated.

In Regional School Unit 4, approximately 23.8% of students, including the Pre-K population, receive special education services. Under the current EPS formula, funding is calculated at the full special education weight for only the first 15% of students, with a substantially lower weight applied beyond that point. Increasing the threshold to 17% would allow approximately 20 additional students in our district to be recognized at the full weight in the formula. Based on current EPS per-pupil allocations, this adjustment could represent roughly \$190,000 to \$210,000 in additional state subsidy for the district, helping the formula better reflect the true level of services being provided.

Our experience is not unique. Across Maine, special education identification rates have steadily increased over the past decade, with many districts now reporting rates approaching or exceeding 20%. Updating the EPS prevalence assumption is an important step toward aligning the formula with the current needs of Maine students.

At the same time, several provisions in the bill raise concerns for smaller rural districts like RSU4.

RSU 4 serves three communities across a relatively large geographic area, requiring extensive bus routes to transport students each day. In RSU4, bus drivers drive on average 800 miles each day. Like many rural districts, RSU4 faces structural transportation challenges largely driven by geography rather than efficiency. Long routes, a limited labor pool for bus drivers, and rising fuel costs all contribute to transportation expenses that can often increase faster than typical inflation. The

proposed cap limiting recognized transportation costs to 105% of the previous year's expenditures may not fully reflect these realities.

I am also concerned about provisions that eliminate certain mechanisms that help districts manage the unpredictability of special education costs. For example, removing midyear adjustments for unexpected out-of-district placements could create significant financial risk for smaller districts. A single high-cost placement that occurs after a district's budget has been approved can represent well over \$100,000 in unexpected expense for a district our size.

This risk is particularly concerning for our communities given the financial realities we have faced locally. In RSU 4, voters have rejected the school budget in the initial referendum three years in a row, leading to difficult reductions in building upkeep, staffing and programming to secure final approval.

It is also important to recognize the demographic realities facing many rural Maine communities. In the towns served by RSU 4—Sabattus, Wales, and Litchfield—we are experiencing a steadily aging population. Many residents are retirees or individuals living on fixed incomes. These community members care deeply about the quality of local schools, but they are also understandably sensitive to increases in property taxes. As the population ages and the proportion of school-aged children declines relative to retirees, the financial capacity of the local tax base becomes more constrained. Policies that shift additional cost risk to local districts can therefore have disproportionate impacts on communities like ours, where taxpayers already face difficult choices when school budgets come before voters.

I recognize the complexity of revising a formula as large and consequential as EPS, and appreciate the committee's work to examine these issues carefully. I respectfully encourage the committee to continue refining the proposal to ensure that it both recognizes the increasing needs of students and maintains financial stability for local school systems.

Thank you for your time and your service to Maine's students.

Sincerely,

Kristy L Ouellette, PhD  
School Board Member  
Regional School Unit 4