

March 6, 2026

Members of the Education Committee:

On behalf of the Town of Scarborough I am writing to express grave concern regarding the modifications to the school funding model proposed in **LD 2226**. I applauded the sentiment of LD 318 as I strongly believe that a more equitable school funding formula is necessary, ideally one that adapts to changing demographic and economic conditions, while remaining reasonably predictable for communities. To this end, I was encouraged with the recommendations of the Maine Education Policy Research Institute's February 2026 report. However, LD 2226 appears to place most of the fiscal burden on Cumberland County communities, with Scarborough being penalized the most of any community statewide.

Proposed changes to the school funding formula suggest that the Town of Scarborough would lose over a \$1M in funding out of the annual allocation of funds. The loss of this level of funding in a single year is not a predictable outcome and challenges our ability to provide not just educational services, but other services in a Town struggling with managing growth.

Compared to other communities I have no doubt that the metrics suggest that Scarborough has a greater capacity to pay for education costs. However, simply considering the total assessed value of community as the determinant of fiscal capacity and therefore responsibility does not consider other factors that actually reflect the ability to pay. Here are some factors that should be considered:

- 1) Our taxpayers contributed \$56,130,942 toward educational expenses in FY 2025, (81% of operational expenses, not counting capital investments);
- 2) Our per household annual expense for education was \$5,629;
- 3) Only 24% of these households have children under 18;
- 4) 39% of our households have at least 1 person per household 65 or over;
- 5) 33% of our households rely on retirement income;
- 6) The current school funding proposal will result in an additional \$100 per household to cover the loss.
- 7) In November 2025, our voters approved a \$139 million school improvement project, will be covered 100% by property tax payers.

We understand the need to find equitable solutions to school funding. We also realize that Scarborough is fortunate in many respects. But absorbing a \$1 million decrease in funding doesn't feel predictable, particularly when the voters just agreed to a significant investment in school infrastructure. Moreover, this legislation is antithetical to the ongoing statewide discussion on property tax relief as it adds to the local property tax burden.

At a minimum should these changes take place I would ask that consider a special allocation to mitigate the loses for those communities that are negatively affected or phased in the change to the formula over multi-year time frame so we can better absorb the losses.

Sincerely,

Thomas J. Hall,  
Scarborough Town Manager

