

Testimony on LD 2226
Joint Standing Committee on Education and Cultural Affairs
132nd Maine Legislature

Senator Rafferty, Representative Murphy, and other Distinguished members of the Education and Cultural Affairs Committee, thank you for the opportunity to testify before you today.

My name is Nicole Case, and I serve as the Superintendent of Schools for AOS 96, the Machias Bay Area School System. For context, AOS 96 schools serve Washington County students from the towns of Cutler, East Machias, Jonesboro, Machias, Machiasport, Marshfield, Northfield, Roque Bluffs, Wesley, Whiting, and Whitneyville. Coastal Washington County Institute of Technology, the CTE Center we run jointly with SAD 37, serves students from Jonesport-Beals High School, Machias Memorial High School, Narraguagus High School, and Washington Academy. We consist of rural communities, and we are struggling with the costs associated with educating our students.

I appreciate the opportunity to speak about LD 2226, particularly as it relates to several challenges faced by rural school administrative units: regional labor market adjustments, transportation costs, and the difficult intersection of high valuation, high poverty, and low student enrollment.

First, I want to emphasize the importance of regional labor market adjustments within the Essential Programs and Services funding formula. The SAUs within AOS 96 currently have a regional labor market adjustment of 0.84. In practical terms, this means the formula assumes that the cost of labor in our region is 16 percent lower than the state baseline. However, this assumption does not reflect the realities we face. Maine statute requires minimum salary levels for teachers, and schools must compete in a statewide labor market for educators, specialized staff, bus drivers, and support personnel. At the same time, rural living is not inexpensive. Housing shortages, transportation costs, and the limited availability of services all contribute to the high cost of living in Downeast Maine.

For these reasons, we strongly support the concept of establishing a minimum regional labor market adjustment of 1.0. At the very least, the funding formula should not assume that rural districts can staff their schools for significantly less than the statewide baseline when statutory minimum salaries and real labor market conditions do not support that assumption.

Second, transportation costs are a major driver of expenses in rural districts. AOS 96 spans eleven communities across a large geographic area of Washington County. Many students travel long distances on rural roads every day to attend school. Fuel, vehicle maintenance, and driver recruitment place significant pressure on our transportation budgets. These costs cannot easily be reduced without limiting student access to education.

Finally, I would like to highlight a challenge that is common in Downeast Maine: the quandary of high valuation, high poverty, and low student enrollment. On paper, some of our towns appear to have relatively high property valuations due to seasonal homes or coastal property values. However, the year-round residents who support our schools often have modest incomes, and

many of our students come from families experiencing economic hardship. At the same time, declining enrollment means fixed costs—staffing, facilities, and transportation—are spread across fewer students. For our school districts, the funding formula overestimates the fiscal capacity of rural communities, placing additional strain on local taxpayers.

LD 2226 presents an opportunity to ensure that Maine's school funding formula better reflects the true cost of providing education in rural communities.

I respectfully urge the committee to carefully consider the impact of regional labor market adjustments, transportation realities, and the unique fiscal pressures faced by Downeast towns when evaluating this bill.

Thank you for your time and your continued commitment to Maine's public schools. I would be happy to answer any questions.