

State of Maine
STATE BOARD OF EDUCATION

Testimony of Fern Desjardins, Chair of the Maine State Board of Education

In Support of: L.D. 280

An Act to Make Maine Schools Safer and Healthier by Increasing the Maximum Debt Service Limit

Before the Joint Standing Committee on Education and Cultural Affairs

Introduced by: Representative Millett

Date: February 16, 2023, 1:00 PM

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

My name is Fern Desjardins, Chair of the Maine State Board of Education. In my absence today, I have asked Kristin Bishop, a member of the school construction committee of the State Board, to appear before the Committee to read this testimony on my behalf in support of L.D. 280 An Act to Make Maine Schools Safer and Healthier by Increasing the Maximum Debt Service Limit.

In the State Board of Education's five-year strategic plan, which was adopted in December of 2021, one of the stated goals is to provide testimony to the Education and Cultural Affairs Committee on matters related to the maximum debt service limit of school construction. As chair of the School Construction Committee of the State Board of Education, I felt a summary of school construction data available at the Department of Education could offer additional resources in your consideration of the proposed debt ceiling increase.

Maine hit a high of 142 schools built in the 1950's when the Sinclair Act was enacted and many communities joined together to form School Administrative Districts. This marked the opening of comprehensive high schools throughout Maine. The number of school construction projects dropped in the 1960's through the 1990's when only 38 schools were built in that decade. Increases in the Maximum Debt Service Limit in the first decade of the 2000's made possible the construction of 51 new schools, followed by a significant drop to only 16 schools in the 2010 decade.

Even if the debt ceiling was raised, the project cost per square foot has increased significantly since 2014. The DOE has a table showing the increases in cost since 1990. Projects that appeared to be costly years ago are now only a fraction of the cost of school construction in 2023. For example, in 1992 Brunswick High School was built for \$19M and in 2008, Hampden Academy for \$54M; however, in 2014 Sanford High School/CTE cost \$100M to build and Edward Little High School/Satellite CTE, which is currently in the final stages of construction, cost \$120M when contracted in 2019 but will perhaps be increased to include the disposal of polychlorinated biphenyls discovered during construction, a hazardous material more commonly known as PCBs, in the old high school.

In the **three years** from 2007 to 2009, the State Board voted favorably on concept approvals for **18 projects**. In the following **13 years** from 2010 to 2022, the board approved a total of **17 projects**, a significant difference.

A look at the number of Major Capital School Construction Program projects approved in the last five rating cycles also helps to summarize data available on school construction:

1999-2000	24 projects
2001-2002	11 projects
2004-2005	20 projects
2010-2011	16 projects
2017-2018	7 schools have moved to the Approved Projects List; 3 of them have received concept approval.

The need for funding to support school construction is found both in the data and in speaking with superintendents throughout Maine. The School Construction Committee of the State Board has heard from representatives of the Maine School Superintendents Association on the need for major capital school construction projects and for additional renovation funding. In some cases, the need for renovations is beyond what is available from the School Revolving Renovation Fund, a matter that is separate from what is being considered in L.D. 280 but nonetheless related.

The time has come to replace a number of schools in Maine for health and safety reasons. Because school construction by the state is done through the selling of bonds, it is also important to look at the real costs of bonding. For example, when a school is approved for \$100M through the major capital school construction process, the actual cost to the taxpayers in Maine is closer to \$200M due to bonding. Other states use varied models for funding school construction that may be worth examining in the exploration of more sustainable funding alternatives in our state.

The other concern the State Board is cognizant of is that we know that there is only one fund supporting education costs. If the debt ceiling were raised, we would have more money for school construction but less money to fund other general education programs and services. Again, perhaps the time has come to look at alternatives for funding school construction; although we may not have a position on the best path forward, we are grateful for the discussion of how we can sustainably address rising school construction costs and increasing needs.

The State Board of Education supports making schools safer and healthier through school construction by raising the debt ceiling by some amount under the current circumstances to make possible the replacement of more schools in the current 2017-2018 rating cycle priority list and in future rating cycles. Our concerns are with the payment of school construction through the selling of state bonds and with its impact on the overall education budget. Is raising the debt ceiling by \$100M the best answer? The State Board of Education defers to the Legislature in the exploration of all available funding options and what you may determine is the best path forward.

Thank you for this opportunity to comment.

I would be happy to answer any questions the Committee may have. The State Board will be available for work sessions on this bill.