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TESTIMONY IN SUPPORT OF

L.D. 154

AN ACT REGARDING SPECIAL EDUCATION FUNDING FOR SO-CALLED MINIMUM RECEIVER SCHOOL ADMINISTRATION UNITS

Senator Rafferty, Representative Brennan and members of the Education and Cultural Affairs Committee. I am Steven Bailey, executive director of Maine School Management Association, testifying on behalf of the legislative committees of the Maine School Boards Association and Maine School Superintendents Association, in support of L.D. 154.

The growing number of “minimum receiver” districts continue to face difficult challenges in funding the necessary and desired offerings of education instruction for their students. As minimum receivers, there are limited sources of revenue that come to these districts through state subsidy. Even though property valuation would provide the appearance that a community can provide an education for their students without assistance through General Purpose Aid, residents living in these areas often are on fixed incomes with little discretionary income or be families that qualify for free and reduced school meals, thus not able to pay property taxes that support the quality of education desired by the minimum receiver communities. It is indeed a challenge for these families.

The one area where the state does contribute to the funding of the minimum receiver schools is to reimburse special education expenditures from two years prior. In 2004, legislation was passed for the state to pay 55% of state education costs, a parallel provision was for the state to pay 100% of special education costs for minimum receiver districts. This has not occurred. While it began at 84% in 2005-2006 and continued there for three fiscal years, it bottomed out in 2011-2012 at 30%. Since then, there has been a steady increase to this percentage rising to the proposed 55% for 2022-23 (though I think that should read 2023-2024). MSSA and MSBA support this continued increase.

A more significant part of this bill is to have the Department of Education examine the methodologies used to determine when a school district is determined a “minimum receiver”. All factors need to be explored along with the trends that have been experienced in recent years. The request is to determine a means to reduce or resolve issues contributing to school districts becoming minimum receivers – or ways for districts to receive greater funding through General Purpose Aid.