

Good afternoon. My name is Brian McGill. I am from Orono, and I am the chair of the RSU 26 school board. This is my 10th school budget cycle. I'm also a professor at UMaine who teaches statistics. And I am here to thank you, to call your attention to a big fact, and to make a short term, and a long term ask.

First, THANK YOU for funding schools at 55% since 2021. It has meant we were able to make prudent, focused investments while holding property taxes steady. This commitment to fund at 55% is a strong and proud signal of the importance of education in Maine.

Second, the big fact. When you hold the funding share constant at 55% of X, what X is becomes really important! As you probably know X is the state EPS formula. Holding steady at 55% of the EPS formula, means the EPS formula now determines the fate of school budgets. And I'm here to tell you that the EPS formula has lagged badly behind inflation. Let's focus on the four school budgets from FY 22 to the present with FY 25. The salary cost figure in EPS has gone up ~6%, the formula's operating cost per pupil has gone up ~6%, and with a few other factors in EPS growing faster, both the total EPS and the total state contribution have gone up ~10-11%. But, in that same period, wages have gone up ~15% and inflation has gone up 16%. *With funding up 10-11% but inflation up 15-16%, in real, inflation-adjusted dollars, state funding to schools has declined by 5% in just three years.* Slow death by administrative formula. This gives school boards the wrenching choice to pass the real dollar declines in school funding either: 1) onto students via educational program cuts, or 2) onto tax payers via property tax increases.

Now the short term ask. In Orono, we are looking at a 2 mill increase, the largest in decades despite no new FTEs. That's just to bring salaries up to parity with neighboring districts. This situation is typical across the state. The inflation bill has come due in the schools, and the state is sitting on its money. This is a crisis year in a lot of school budgets, which will become a crisis year for a lot of property tax payers. Please amend LD 2214 to avoid real dollar cuts to the schools.

And now the long term ask. Please fix the EPS. Legislate that core cost numbers like teacher salaries and per pupil costs for textbooks and building operations and maintenance be mandated to increase with appropriate inflation indices.

An investment in education is an investment in Maine's future. Ignoring the effects of inflation on the EPS is, in truth, cutting that investment. Thank you for your time and your service.

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	Total EPS	Adj. State Contribution	State Percent	Teacher Salary	Supplies+ Operations /Pupil	Inflation	Wages
FY19	\$ 2,080,623,026	\$ 947,684,019	45.5%	\$ 54,464	\$ 1,656.50	\$ 1.00	\$ 1.00
FY22	\$ 2,225,702,161	\$ 1,193,680,104	53.6%	\$ 57,626	\$ 1,753.00	\$ 1.08	\$ 1.09
FY25	\$ 2,453,242,641	\$ 1,322,013,874	53.9%	\$ 61,140	\$ 1,853.00	\$ 1.25	\$ 1.26
Increase FY19-FY22	7.0%	26.0%		5.8%	5.8%	7.9%	9.3%
Increase FY22-FY25	10.2%	10.8%		6.1%	5.7%	16.0%	15.1%
Increase FY19-FY25	17.9%	39.5%		12.3%	11.9%	25.1%	25.9%

Source EPS: <https://www.maine.gov/doe/funding/gpa/eps/resources>

- 1) Total EPS & Adj. State Contribution come from the "State Subsidy Allocation with State Share Percent" spreadsheet and totalling the "Total Allocation" and "Adjusted State Contribution" columns across all districts
- 2) Teacher Salary represents a MS with 11-15 years experience (but increases are constant across all experience levels except for one year when starting teacher salaries increased much more than senior teachers) and comes from the "Salary Matrix"
- 3) Supplies & operations/pupil come from the ED279 pages (use any school district, they are constant across the state) and average the PK-8 and 9-12 costs for each of "Supplies" and "Operations & Maintenance" (Lines D2 & D7 of ED279) and then add the two averages together
- 4) Source Inflation: <https://www.usinflationcalculator.com/> (Dec 2018-Dec 2021, Dec 2021-Dec 2024), assume rest of 2024 stays at January's 3.1% annualized
- 5) Source wages: <https://www.epi.org/nominal-wage-tracker/> (Dec 2018-Dec2021, Dec 2021-Dec2024), assume rest of 2024 stays at January's 4.5% annualized