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February 26, 2025

Testimony of Representative Kristi Mathieson presenting
LD 71, An Act Regarding Special Education Funding
Before the Joint Standing Committee on Education and Cultural Affairs

Senator Rafferty, Representative Murphy and honorable members of Joint Standing Committee on Education and Cultural Affairs. My name is Kristi Mathieson. I have the distinct pleasure of representing the beautiful seaside community of Kittery, House District 151. I am here to present **LD 71, An Act Regarding Special Education Funding**.

I was fortunate to have extensive tutelage with Ms. Paula Gravelle, around the school funding formula. It was important to me to get a better understanding of the computation of the Essential Programs and Services (EPS) Funding rates, that includes the multiple steps you all are very familiar with (basic operating cost allocations, additional operating cost allocations, calculations of required local contributions and adjustments made to the state and local contributions). These lessons helped me have more comprehensive conversations with my community and leadership around the school budget and state funding.

I am reminded, when I discuss schools and school funding with teachers and administrators, that all are extremely overstretched and have been for quite some time. They articulate similar essentials for a successful education environment - a school that supports the teachers and students, inclusion of a rigorous, diverse curriculum, fully funded resources, willing students, a social and cultural climate in which education is encouraged and respected, and an environment where the rights and dignity of teachers and students are at the forefront.

It is crystal clear that the total cost of education is increasing as is the amount provided by municipalities through local property taxes. The difficulty that minimal receiver towns such as Kittery run up against with these increased costs is multifaceted. When property valuation is used to measure the wealth or a town's ability to pay, a town can be land rich but the median income of the residents does not match. In Kittery, many families are multigenerational property owners. The families purchased their property years ago when the valuation was substantially

lower than current values. At the same time, enrollment in the school district continues to be fairly flat (around 1000 students since 2006). So the town's assumed ability to pay continues to widen unless one of two things happens - enrollment increases remarkably or property valuation drops. When the population of students affects the subsidy formula and property valuation is a measure of the ability to pay, it hurts small, coastal areas like Kittery, Eastport and Lubec. These towns have a large amount of shorefront property, higher property valuations with lower student populations. But just because there's water does not mean there's money.

Over many decades, the Kittery community has come out in full support of their public schools. However, it becomes more and more difficult for an income diverse community to support the school budget with so little assistance at the state level. In the 2024 fiscal year, the school budget was \$21.2 million; the calculated state contribution is \$1.7 million or 8.1% of the total expense budget. The EPS funding formula calculates the Kittery school budget at \$13.4 million or 63% of its actual budget. I do not understand how any School Administrative Unit (SAU) could operate a public school with just the allocation defined by the formula. Just one example, our high school would have less than one full time school counselor based on the formula. Our state's Northwest Evaluation Association (NWEA) testing program alone requires one full time person at each school. There is a disconnect here, and unfortunately this disconnect ends up being an additional tax burden for taxpayers in Kittery.

LD 71 is "simple." It looks at raising the SAU's special education cost calculations, pursuant to section 15681-A, subsection 2, for fiscal year 2025-26 and succeeding years to 55%. Over the years, the state's support for special education costs has changed from a high of 84% (in 2005) to a low of 30% in 2016. This bill would raise the current percentage by 5% from 50 to 55%.

Thank you for your work and for considering this legislation. I ask you to vote this bill "Ought to Pass," and am happy to take any questions.