



# State of Working Maine 2024

## A strong economy — but continued hardship for many

October, 2024

### A strong labor market for all Mainers

A strong labor market defines the post-pandemic economy. Workers are in demand across the United States as baby boomers retire from the workforce. This is especially true in Maine, which has the oldest population in the country. The pandemic also led to a mass reevaluation of employment, particularly for “essential workers” who endured dangerous conditions for relatively little pay. Consequently, employers have been offering higher wages to attract and retain workers and hiring a broader range of people who might have less experience or require more accommodations.

### Maine wage growth by the numbers

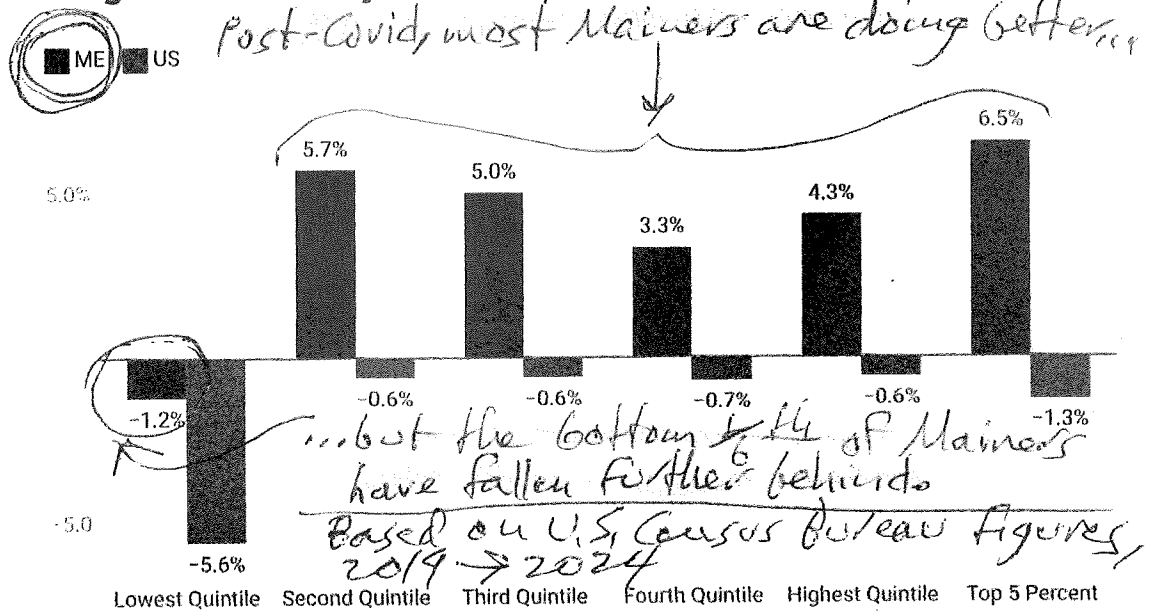
For the typical Maine worker, wage growth outpaced inflation by 4% between 2019 and 2023

Since 2019, average weekly wages in Maine’s private sector increased 15% — but just 11% for state workers

Compared to the period before the pandemic, the unemployment rate has more than halved for both Black and Latino Mainers — but median earnings for Mainers of color are just 83% of white non-Hispanic Mainers

Between 2019 and 2023, real median earnings rose 0.8% for men working full-time and year-round in Maine, while rising 9% for women — but women’s wages were still just 85% of men’s

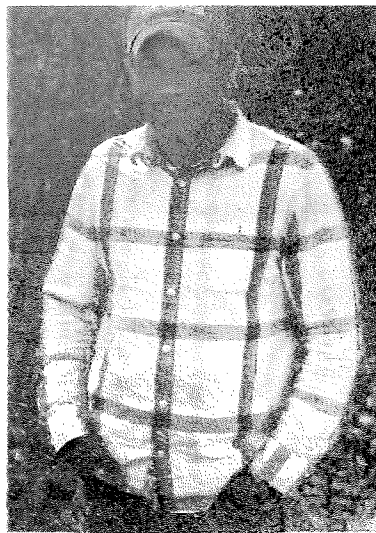
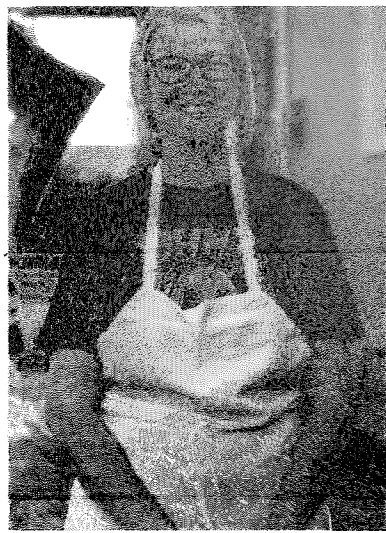
Changes in inflation-adjusted household income in Maine and the US



### Wage growth has reduced inequality

Wage growth has generally been strong over the last five years, leading to robust income growth. For most Mainers, income growth has outpaced inflation since before the pandemic (on average, prices increased nationally by 19% between 2019 and 2023, while median household income in Maine rose 25%. Maine stands out from the rest of the US, where inflation has slightly outpaced income growth for most households.

*done →*



*Read State of Working Maine 2024 to learn more about the experiences of the Maine workers pictured. From left to right: Mary Kate O'Sullivan, nurse; Lori Eschholz, restaurant owner; Kevin Russell, state worker; Rebekah Koroski, state worker.*

## Key costs are still troubling Mainers

Despite this generally positive outlook, rising costs continue to undermine Mainers across income levels. Around 20% of Mainers in the households with the lowest incomes remain behind in real terms relative to 2019. This includes people who aren't able to work or people who haven't changed jobs or received significant raises in the past five years. Even for Mainers with higher incomes, key costs remain a burden:

- Housing and food costs have risen more than most in the past five years.
- Health care costs remain high, despite improved access to insurance.
- Child and vulnerable adult care costs are prohibitive, even as workers in these industries are severely underpaid — these costs not only cause economic pain to individuals and families, but they weaken the overall economy by restricting employment mobility, reducing children's academic success, and limiting participation in the workforce.

This fact sheet is based on a report by MECEP economic policy analyst James Myall. For the full report and citations, visit [mecep.org/sowm2024](https://mecep.org/sowm2024).

## Policy solutions

State of Working Maine 2024 provides lawmakers with an overview of these issues and points to policies that can build on the labor market's success while tackling the rising costs many Maine families face.

Some of the ways lawmakers can help Mainers include:

- expanding access to affordable child care and health care
- strengthening safety net programs for people temporarily or permanently unable to work
- allowing more workers to receive minimum wage
- building more housing and continuing Maine's rental assistance program
- cracking down on corporate power



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## TESTIMONY NEITHER FOR NOR AGAINST LD 225: "An Act to Reduce Property Taxes and Finance Public School Construction and Education Through a 3 Percent Sales Tax on Hotel and Place Rentals

Steve Turner <squidbeak.492@gmail.com>  
Draft

Wed, Mar 12, 2025 at 7:50 AM

Senator Grohoski, Representative Cloutier, and Esteemed Members of the Taxation Committee:

I haven't a clue about what specific taxes we might levy to finance school renovation and construction projects, or what already-existing revenue streams might be redirected to the rescue of our schools. I can only testify about the financial challenges our school district is facing, and of our urgent need for your help.

If you've been reading the newspapers, you may have noticed that Maine communities have been rejecting proposed school budgets, wholesale. The top sheet in your packet might explain why. It seems to indicate that, post-Covid, too many Mainers are property-rich but income-poor. Post-Covid property values and property taxes have ballooned, but for too many Mainers, incomes haven't kept up.

In my school district, voters rejected our proposed school budgets twice, and just barely approved our budget the third time. To get our budget to pass, we School Board Members had to make agonizing, painful, hideous cuts. I had to vote to cut 5 employees from our school district. That's 5 economic executions for 5 employees who gave their hearts and souls to our kids -- economic executions for 5 people *and their families*.

My school district's current school budget only keeps our nostrils above water. It doesn't begin to address the vital school renovation projects *we will have to finance* if we want to provide our kids with a safe learning environment. The bottom page in your packet explains in greater detail our school district's stern financial realities, and how the current Essential Programs and Services Funding Formula actually hamstring us.

Our public schools are:

- \* Support systems for current and future heads of families;
- \* Support systems for contributors and their contributions to our local communities;
- \* Among the last places where our Maine townfolk can gather for a sense of community;
- \* Pipelines for creating an upwardly mobile employer and employee base, thereby strengthening and expanding our local economies and our Maine tax base;
- \* Pipelines and training grounds for future citizens -- future participants in, and future stewards and guardians of -- our American Representative Democracy. -- Whatever is left of it.

Our public schools are an **investment** in our **People Infrastructure**.

This is what's at stake if you esteemed Members of the Taxation Committee don't help us.

**These kids -- and the adults who support them -- are 100% of our future.**

Esteemed Members of the Taxation Committee: please *find a way* to help us.

I thank you, esteemed Members, for your service on behalf of the People of our great State.

Steve Turner  
Regional School Unit #16 School Board Member (Poland, Minot, and Mechanic Falls)  
27 N. Main St.  
Mechanic Falls, ME 04256  
Cell phone 207-312-7923

February 10, 2025

Dear \_\_\_\_\_,

The RSU 16 School Board (Poland, Minot, and Mechanic Falls) is again reaching out to legislative representatives to share concerns about the Essential Programs and Services Funding Formula (EPS) and other legislative issues. As part of our commitment to the RSU 16 mission, "Creating A Better Future One Student at a Time", we have a responsibility and a desire to work with municipal leadership and those who represent us in Augusta to ensure that students have the resources to meet the promises of our mission.

RSU 16's current budget development season follows one that included two failed school budgets and significant cuts. As a district that depends heavily on State funding (Current local share: 40.76%, State share: 59.24% and Proposed 25-26 local share: 41.87%, State Share: 58.13%) and continues to be negatively impacted by valuation increases, we would like to help you understand our challenges and to provide you with information that will help you advocate for our 1,600 students and our three communities.

Last week we received tentative 2025-2026 EPS subsidy numbers indicating that RSU 16 will receive \$307,784 more than the previous year that included a subsidy cut of \$751,781. At first glance this looks like good news until you see that the local share, which is determined by Maine Revenue Service valuations, has increased by \$638,682 or 14%. This allocation will not come close to covering the increases in support staff salaries that were mandated in the last legislative session, the salaries and benefits outlined in the teacher's collective bargaining agreement, the cost of Maine Family Medical Leave law, program and student need priorities, and essential capital improvements.

As our legislative representatives we urge you to:

- Advocate for less emphasis on municipal valuations in the EPS formula. Citizens in Poland, Minot, and Mechanic Falls continue to see the Maine Revenue Service valuation driving the subsidy level and local costs while the financial capacity of RSU 16 citizens to meet these additional local costs has not increased. (Pursuant to LD 2286, the Maine Education Policy Research Institute is preparing an analysis of EPS for the legislature's Education and Cultural Affairs Committee with a final report in March 2025.)
- Continue to maintain 55% of State education funding.
- Support fully funded universal meals in Maine public schools.
- Encourage the Maine Legislature to consider making schools exempt from the Maine Family Medical Leave law. RSU 16 collective bargaining agreements and work agreements already provide coverage for family leave.
- Support funding for school renovations and construction. RSU 16 will submit multiple applications in the upcoming Revolving Renovation cycle to cover heating and ventilation improvements. Revolving Renovation funds provide funds that are both a loan and a grant. Based on our subsidy level we would receive 58% of the funds as a

grant and 42% as a loan, which represents a significant savings to our communities for critical facility improvements. Last year we submitted applications and only received a small allocation for ADA improvements. It is important that the Revolving Renovation Fund be adequately funded. In 2024 the district also submitted an application for the highly competitive school construction funds and we look forward to the report from the Governor's Commission on School Construction due to the legislature by mid-April.

- Support increased funding for Career and Technical Education. CTE enrollment and demand have risen, leading to new course offerings as more students seek hands-on, integrated, and relevant learning experiences that prepare them for their future careers. However, limited seats, space, and staffing constrain growth, highlighting the need for better funding to expand existing programs for high school students, and eventually middle school students.
- Advocate for increases in municipal revenue sharing and other exemptions that benefit local taxpayers.

The RSU 16 School Board is committed to building meaningful and collaborative relationships with our communities and legislators. On December 10<sup>th</sup> we held the first of three community forums, which focused on facilities. The RSU 16 School Board has two additional forums planned and will address the school budget and academics. We will share those dates with you when available and are hopeful that you can attend.

Thank you for the important work that you do and for all the ways you support the communities that you serve.

Sincerely,

Mary Martin, RSU 16 School Board Chair

RSU 16 School Board: Steve Turner, Angela Swenson, Christina DeSantis, Andrea Winn, Mike Downing, Elizabeth Martin, Randy Lautz, Jessica Smith, Mike Downing, Emily Rinchich, Sarah Robinson, Joe Parent, Patrick Irish, Steve Holbrook, Melanie Harvey, Emma Mahon, Max Benton