



Maine Education Association

Jesse Hargrove President | Beth French Vice President | Jaye Rich Treasurer
Rebecca Cole NEA Director | Rachelle Bristol Executive Director

Testimony

In Support Of

LD 1089, An Act to Permanently Fund 55 Percent of the State's Share of Education by Establishing a Tax on Incomes of More than \$1,000,000.

Jan Kosinski, Government Relations Director, Maine Education Association

Before the Taxation Committee

March 26th, 2025

Senator Grohoski, Representative Cloutier and other esteemed members of the Taxation Committee,

My name is Jan Kosinski, and I am the Director of Government Relations for the Maine Education Association (MEA). The MEA represents nearly 24,000 educators, including teachers and other educators in nearly every public school in the state, as well as full-time faculty and other professional and support staff in both the University of Maine and Community College systems. Thousands of retired educators continue their connection and advocacy work through the MEA- Retired program.

I offer this testimony today on behalf of the MEA in SUPPORT of LD 1089, *An Act to Permanently Fund 55 Percent of the State's Share of Education by Establishing a Tax on Incomes of More than \$1,000,000.*

In 2016, I was honored to serve as the campaign manager for the Stand Up for Students campaign, a ballot initiative put before the voters to increase the income tax on the income ABOVE \$200,000 with a 3% surcharge only on the income above \$200,000. While those opposed to the initiative waged a valiant campaign, Yes on Question 2 passed. As the campaign manager, I spoke with countless individuals, groups, organizations about the ballot initiative and typically found Maine people care deeply about public schools. Overwhelmingly, the residents of our state understood that we needed well-funded public schools. Many understood the direct connection between educational outcomes and economic outcomes. Furthermore, many individuals were keenly aware that our schools rely on property taxes for funding when the state is unable or unwilling to fund the types of schools local communities want to see.

I will also note that the opposition to Question 2 in 2016 was not about the impact of the increased taxes due to the surcharge. Instead, the opposition made a case that the school funding formula was unfair and sent too much state aid to wealthy, tony communities with more ability to pay, while property rich but income poor communities were deemed “minimum receivers.” While I could quibble with this assertion, the point is that the actual tax increase was barely discussed. Instead, much of the discussion was about the perceived inequities in our state’s school funding formula. Given this, I can only assume this proposal, if put before the voters would be even more popular and palatable and would receive even more votes than Question 2 did in 2016.

And as you are no doubt aware, while the Stand Up for Students ballot initiative was passed by voters, many were despondent when just a few months later the Legislature voted to repeal the surcharge and provide schools with half of the funding they were slated to receive. This was directly contrary to the will of the voters.

We will fully admit that our state has made great progress in honoring the 55% state funding commitment for public schools under Governor Janet Mills. Our Governor has prioritized this important goal and has finally made

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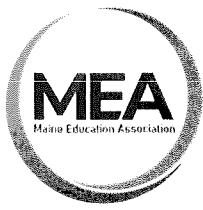
it a reality in the most recent budgets. While the original 55% state funding for public schools was passed as a ballot initiative in 2004, year after year the Legislature included “notwithstanding” language to forgo this obligation. It was not until 2021, 17 years later, that the state finally met this goal established by voters. The most recent budget that was passed last week maintains this commitment and funds 55% of the cost of public schools for the next two years by dedicating \$150 million more to public schools over the next two years just to maintain the state’s 55% funding requirement.

We will admit, the state’s school funding formula is not sufficient to meet the needs of today’s students. Our members, teachers, and educators in nearly every public school in the state, regularly tell us about their key struggles. Workforce shortages remain an issue as many individuals are not willing to work for the low pay in such a difficult job. Fixing this will require lifting the minimum teacher salary and providing greater support for mentoring programs in our schools – both of which cost money and increase the cost of education, thus increasing the cost of the 55% funding requirement. Teachers and other educators regularly report to us the mental health challenges of students and the dangerous behaviors they are seeing from students. This is a daily or near daily occurrence. Yet, our school funding formula does not include enough support to address these concerns. The school funding formula has a ratio of 350:1 for counselors in grades PreK-8 and 250:1 in grades 9-12, and there are no social workers or other behavioral health specialists in the school funding formula. Adding in these critical components or adjusting the ratios in the school funding formula will increase the cost of education and thus increase the 55% state funding requirement. And to be clear, when issues such as these arise, and the state is unable to fund these improvements, local communities are left with a multiple choice of bad options. They can either ignore the concerns or raise property taxes to address the issues that teachers, educators, and our state’s students face. When we rely on property taxes, the result is even greater inequity among schools and communities.

In recent testimony I presented the chart below to underscore the challenges of funding public schools in Maine. The chart below shows the challenge our state faces as a large, sparsely populated state to provide an adequate public education system to every state. With only five students per square mile, compared to eighty-eight students per square mile in Rhode Island or Connecticut, Maine operates a number of small community schools in small rural towns.

State	Per Pupil Spending According to the National Council on Education Statistics	Total Square Miles	Rank in Square Miles	Number of Students Enrolled in Public Schools	Students per square mile
RI	\$22,400	1,545	50 th	135,978	88
ME	\$23,000	35,387	39 th	176,622	5
NH	\$23,600	9,351	45 th	165,095	18
MA	\$26,000	10,555	43 rd	287,000	27
CT	\$27,300	5,544	48 th	486,990	88
VT	\$28,600	9,615	44 th	82,828	9

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As requested, I have added a new chart to help underscore the issue and the connection to the recent NAEP scores. It is important to note, the NAEP scores represent one data point, one snapshot of school performance. This is not a comprehensive analysis but shows two subjects, reading and math, in two grades, 4th and 8th grade. It is also important to note that while I have ranked them below, these rankings are not always statistically significant. For example, in eighth grade reading Maine is ranked 31st in the nation in terms of overall scores, NAEP clarifies that only seventeen states “performed significantly higher” and twenty-five states are “not significantly different.”

State	Per Pupil Spending According to the National Council on Education Statistics	Fourth grade reading rank	Fourth grade math rank	Eighth grade reading rank	Eighth grade math rank	Additional Funding Necessary to Match Per Pupil Spending
RI	\$22,400	13 (t)	28 (t)	21 (t)	29 (t)	
ME	\$23,000	41 (t)	40 (t)	31 (t)	26	\$0
NH	\$23,600	4	4 (t)	4	7 (t)	\$105,973,200
MA	\$26,000	1	1	1	1 (t)	\$529,866,000
CT	\$27,300	7 (t)	13 (t)	5	16 (t)	\$759,474,600
VT	\$28,600	32 (t)	34 (t)	24 (t)	18 (t)	\$989,083,200

Source: The Nation’s Report Card, State Profiles, found here: [Profiles](#) (t= tied with other states)

I included in this chart a calculation of how much more each state spends compared to Maine. To reach this I simply multiplied the additional per pupil cost by the number of students in our schools. Even though Rhode Island is spending less per student and even though they have eighty-eight students per square mile compared to five students per square mile, I argue we are competitive and in fact we are outperforming Rhode Island in eighth grade math.

If we want to be like Massachusetts, we could try what Massachusetts did. In 2022, voters in that state approved a new 4% surcharge on income above \$1 million and dedicated the revenue to education and transportation projects.¹ Over 52% of the voters approved the initiative and the result has been extremely positive for students and public schools. The revenue far exceeded expectations and raised over \$2 billion in the first year of the new tax.² The Massachusetts Legislature dedicated this new funding to public schools with \$170 million in additional direct state aid to public schools, \$117.5 million for free community college for all residents, and millions more in student aid for higher education, additional more to support PreK expansion, and much more.³ The results have been positive and the people of Massachusetts, now and into the future, will reap the benefits of this policy.

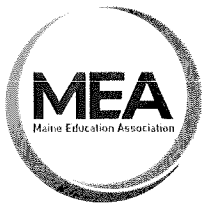
Thank you for your attention and your service to the people of Maine and I will do my best to answer any questions you may have.

¹ Please see [Massachusetts Question 1, Tax on Income Above \\$1 Million for Education and Transportation Amendment \(2022\) - Ballotpedia](#)

² Please see [Massachusetts Collects \\$2.2B From ‘Millionaires Tax’ - CPA Practice Advisor](#)

³ Please see [Here’s what the ‘Millionaire’s Tax’ is paying for in the new Mass. budget - masslive.com](#)

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