



Teresa S. Pierce
Senator, District 25
Senate Majority Leader

THE MAINE SENATE
132nd Legislature

6 Waites Landing Road
Falmouth, ME 04105

***Testimony of Senate Majority Leader Teresa S. Pierce introducing
LD 242, An Act to Extend the Maximum Time Period for Certain School
Construction Bonds
Before the Joint Standing Committee on Education and Cultural Affairs***

April 9, 2025

Chair Rafferty, Chair Murphy, and esteemed members of the Joint Standing Committee on Education and Cultural Affairs, my name is Teresa S. Pierce. I represent Senate District 25, which includes Falmouth, Cumberland, North Yarmouth, Yarmouth (majority), Gray, and Long Island, and have the privilege of serving as Senate Majority Leader. Thank you for the opportunity to introduce LD 242, An Act to Extend the Maximum Time Period for Certain School Construction Bonds.

Maine School Administrative District 51 Superintendent Jeff Porter reached out to me, Rep. Christina Mitchell, D-Cumberland, and Rep. Anne Graham, D-North Yarmouth, regarding an issue that MSAD 51 ran into while undertaking a locally funded school construction project on campus.

In 2023, Title 20-A, Sections 1311(2)(C) and 1490(2)(C) were amended to extend the maximum term of school construction bonds from 25 years to 30 years. At the same time, Sections 1311(3)(B) and 1490(3)(B) were not similarly amended to extend the aggregate term of a bond and a temporary note from 25 to 30 years. With this inconsistency in Maine law, an SAD/RSU may issue a 30-year construction bond; however, if the SAD/RSU also issues a temporary note in anticipation of the construction bond, then the aggregate term of the note and the bond cannot exceed 25 years.

When MSAD 51 was considering the scope of the project and preparing for the referendum, considerable effort was made to develop a plan of financing that would keep the District's annual debt service steady over a 30-year period.

In February 2024, the District's bond counsel identified the statutory inconsistency, which precludes the District's 30-year plan of financing for the project. The District reached out to Maine DOE and after consultation with the AG's office, did not believe that the statutory inconsistency could be corrected in an errors and omissions bill. That is why I'm here today to present this bill to eliminate the inconsistency in maximum bond terms.



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District officials and their bond counsel are here today to speak in greater depth about this problem and how it is impacting the construction project. I strongly believe school construction is one of the most important investments we can make to ensure our students have a place to learn and grow. If this bill is not enacted, local taxpayers will see a sharp increase in their bills. For these reasons, I respectfully urge this committee to support this bill.

Thank you for the opportunity to present this bill, I am happy to answer any questions you may have.