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Testimony

Neither For Nor Against

LD 1087: An Act to Increase the State's Share of Major Capital School Construction Costs

Jan Kosinski, Government Relations Director, Maine Education Association

Before the Education and Cultural Affairs Committee

May 6th, 2025

Senator Rafferty, Representative Murphy and other members of the Education and Cultural Affairs 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 NEITHER FOR NOR AGAINST LD 1087, An Act to Increase the State's Share of Major Capital School Construction Costs.

Our state has a problem. The public schools in our state are old and due to the ongoing fiscal constraints on public schools, cities and towns are struggling to keep their schools in good working order. Last year alone, two schools were closed last year **during the school year** because they were deemed no longer safe for students and educators. You can imagine the chaos and confusion students and families face when a school is forced to close during the school year.

The headline from the Lewiston Sun Journal on February 6, 2024, read:

Agnes Gray Elementary in West Paris closed immediately, possibly for good An architectural firm told Oxford Hill School District directors Monday night the two-story 19th-century building is not safe for students or staff.¹

A similar situation occurred in October of 2024 when the Mountain Valley Middle School in Mexico was forced to immediately close because it too was deemed unsafe for students and educators. The headline from the Bangor Daily News on October 9, 2024, read "Maine middle school abruptly closes because of safety issues."²

¹ Please see Lewiston Sun Journal, Agnes Gray Elementary in West Paris closed immediately, possibly for good, February 6, 2024, found here: Agnes Gray Elementary in West Paris closed immediately, possibly for good

² Please see, Bangor Daily News, Maine middle school abruptly closes because of safety issues, October 9, 2024 found here: Maine middle school abruptly closes because of safety issues



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Both of these situations could have been prevented if the school districts were able to dedicate more funding to basic upkeep of the school buildings, and we are deeply concerned headlines such as these will become all too common if the state does not act to address the capital needs of Maine's public schools. Our current process of state funding for school construction, by all accounts, is insufficient for the need we are facing.

Currently, Maine has a funding program to help cities and towns to address aging schools. While the formula is extremely complicated, the formula is not the issue. Instead, clearly, the lack of funding is the key concern.

For example, the last round of funding was opened during the 2017-2018 school year and seventy-four projects applied for state funding. The state was only able to approve nine of these projects over a three-year period, 2019-2023. According to the recent report from the Maine Education Policy Research Institute, "[s]ome of the schools replaced were over 60 years old and two were over 100 years old." The State Board of Education recently opened the process for the next batch of school construction funding and received 96 applications from school districts. We will be elated if given the current fiscal constraints the state can fund ten of these projects. We expect even funding 10% of the current need will be a stretch, thus forcing local towns to consider shouldering this expense on their own or waiting 5-7 years for the next round of funding when the competition for the resources will be even more fierce.

The longer we wait to address this issue, the more costly the fix will become. For example, according to the MEPRI report on school construction, "the Brunswick High School project in 1992 had a cost of \$19 million, Hampden Academy cost \$54 million in 2008, and the Edward Little High School/ Satellite Career and Technical Education Center cost \$120 million in 2019." This cost escalation represents a 500% increase in construction costs over 30 years. Construction costs continue to increase at an alarming rate, and there should be no expectation that construction costs will ease anytime in the future.

It is important to note, the current school construction funding mechanism from the state sets aside approximately \$115 million per year as debt service as part of the General Purpose Aid to education or GPA. This is part of the states 55% funding calculation. However, the debt service sits on top of the state's school funding formula. In other words, the cost of the debt service is paid before any money flows to schools through the state's school funding formula, the Essential Programs and Services formula (EPS). This means all the schools are impacted by the school construction funding process. All the other schools in the state pay for the Edward Little High School with reduced state aid to support the education programs they offer. Increasing the state's debt service will result in less aid to all the other school districts in the state.

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³ Please see, Maine Education Policy Research Institute, MEPRI Report on Policy and Practices for Funding Maine Public School Construction and Renovation, January 2025, page 9, found here: MEPRI-Report-School-Construction-Policy-011425.pdf

⁴ Ibid, page 9



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If we continue our current path, we will see some towns with few options. They can continue an effort to maintain aging schools, and hope they do not encounter the same problems as the Agnes Gray Elementary School in West Paris or the Mountain Valley Middle School in Mexico, or they can ask local property tax payers to fund 100% of the costs of a new school for their town. With the increased property tax sensitivity in our state, we can expect many towns will reject such proposals. When local communities vote to build new schools in their town, the impact is often to crowd out funding for other essential education programs. Property taxpayers can only pay so much, so teacher salaries, innovative programs, and other key educational programs are squeezed and often face uncertainty during the budget process, because towns are now shouldering more costs to pay for voter-approved school construction.

On October 4, 2024, recognizing the dire capital needs of public schools, Governor Janet Mills signed an executive order creating the Governor's Commission on School Construction.⁵ This Commission has been meeting for months and released an interim report on April 15, 2025 and the results were even more alarming than MEPRI warned about in their report. In their interim report, the Commission wrote the following:

"Of Maine's 600 schools, approximately 500 will require replacement or renovation/modernization in the next 20 years. Conservatively, the cost is estimated at 11 billion dollars assuming 25 schools per year. This estimate does not account for increased costs in construction and materials, nor the likelihood that many renovation projects will not occur on a timely basis, resulting in more costly replacement."

This bill, LD 1087, proposes to provide some state support to districts to support their school construction costs. Specifically, the bill calls for 25% state funding for approved projects or the "state share percentage" as calculated by the EPS formula, whichever is greater.

We think there is great merit to this proposal. The current system of state funded school construction is an "all or nothing" approach, where the state either pays 100% of the cost, or nothing. Given the gargantuan need in our state, we think we will need to find better ways to stretch school construction dollars, and asking locals to share in the costs, in some way, would go a long way towards stretching the funding the state has to offer. Rather than funding 100% of the costs, the state could fund a share, and help get more, newer, updated schools built all over the state.

But this decision and others impacting school construction should not be done hastily. Questions concerning how much of the cost communities should or can bear should be determined using thorough analysis and deep interrogation by this Committee. Whether 25% or state share percentage is the right question for this Committee to be asking.

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⁵ Please see, Executive Order 1: An Order Establishing the The Governor's Commission on School Construction | Office of Governor Janet T. Mills

⁶ Please see Governor's Commission on School Construction Interim Summary April 15, 2025, found here: Governors Commission - School Construction Interim Summary - 4.18.2025.pdf



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This is just one of many questions this Committee will need to address. In addition to advocating for more funding through bonds or other means to meet the need, there are additional policy considerations regarding prioritization, need and local capacity that require elected leaders to debate and hopefully come to a resolution.

The good news is that between MEPRI and the Governor's Commission we know have a wealth of data on our states' school construction needs. To that end, we suggest this Committee take time, over the Fall and into next year, to seek common ground and find a pathway forward to meet the growing capital needs of our state's public schools. The data is clear, and the analysis has been done. This issue has not gotten the attention from policymakers but only because there were many other bills and topics before you. But certainly, the data shows the real and pressing capital needs of our schools and any solutions will start right here in this Committee.

Thank you for your time and your attention and I will do my best to answer any questions you may have.