

TESTIMONY NEITHER FOR NOR AGAINST

L.D. 1892

AN ACT TO ESTABLISH PROCEDURES FOR SCHOOL CONSTRUCTION PROJECTS

May 9, 2025

Senator Rafferty, Representative Noonan Murphy, and members of the Joint Committee on Education and Cultural Affairs, I am Robbie Feinberg, the director of communications and government relations of the Maine School Management Association, testifying on behalf of the legislative committees of the Maine School Boards Association and the Maine School Superintendents Association neither for nor against L.D. 1892, An Act to Establish Procedures for School Construction Projects.

Your committee has heard, time and time again, about just how dire Maine's current school infrastructure situation is. Multiple districts have had to shut down schools in the middle of the year because buildings are unsafe for children. 74 school districts applied for funding in the last round of the state's Major Capital School Construction Program, yet only 9 were approved. We'll quote from the Interim Report from the Governor's Commission on School Construction,¹ which estimates that 500 schools will need to be renovated or replaced in the next 20 years, at a conservative cost of more than \$11 billion:

To put the estimate in perspective, the projected funds needed to replace or renovate Maine schools is approximately equal to the state's entire biennial General Fund budget and 3.5 times as much as the annual amount of property taxes collected in the state.

Both school boards and superintendents believe urgent action is needed to address these challenges. Maine school leaders don't believe they are in a position to dictate exactly how state funding should be raised – but more funding is desperately needed. L.D. 1892 offers that funding, as well as multiple provisions that schools believe could improve the school construction process:

State and Local Shares of School Construction

The current system for school construction operates as an “all-or-nothing” approach – few districts receive funding, but for those that do, the state covers close to 100 percent of the cost. While this is transformative for districts that receive a project, it also creates a situation where very few schools get approved in the first place. Superintendents from across the state have shared that they believe local schools should be required to provide some local share, which would allow the state to fund more school projects. We see promise in L.D. 1892's requirement that a district shall pay “at least 25% of the total cost” of a construction project, but, crucially, that the commissioner may adjust that percentage if a school does not have the ability to pay.

Superintendents also believe that if a school district is required to provide some local contribution to a school building project, it would provide more incentive for communities to maintain the quality of their current school buildings. The current system, instead, incentivizes a community to let its buildings fall into disrepair.

¹ [https://www.maine.gov/doe/sites/maine.gov.doefiles/inline-files/Governors Commission - School Construction Interim Summary - 4.18.2025.pdf](https://www.maine.gov/doe/sites/maine.gov.doefiles/inline-files/Governors%20Commission%20-%20School%20Construction%20Interim%20Summary%20-%204.18.2025.pdf)

Creation of a School Financing Authority

School leaders believe that the creation of an independent authority solely focused on school financing could be a beneficial step that could ultimately save schools and local communities substantial money. At the back of our testimony, we've attached a graph that was shared last year with the Governor's Commission by the Maine DOE, demonstrating that a huge portion of Maine's upcoming school construction costs is simply interest on debt. For current projects, the estimated cost of interest alone over the next 20 years is \$250 million. School leaders believe that a dedicated finance authority could help to limit these interest costs in the future by either providing up-front funding or lower-interest loans, ultimately allowing more money to be spent directly on school construction – not interest.

Again, while our associations see promise in several provisions of L.D. 1892, we do not seek to weigh in on particular strategies for how to raise funding. We also believe that your committee should wait until the release of the final report from the Governor's Commission later this year – this can provide you with the most comprehensive information as we seek solutions to address this urgent crisis. We thank Rep. Brennan and the committee for working to tackle this imposing challenge, and we hope you can come to consensus on potential solutions.

Thank you, and I am happy to take any questions you might have.

Major Capital Improvement – Current Bonded Debt

STATE OF MAINE DEPARTMENT OF EDUCATION
DEBT SERVICE PAYMENTS BY FISCAL YEAR
BEGINNING WITH FY 2023

FISCAL YEAR		PRINCIPAL	INTEREST	TOTAL
2025	Grand Total	\$76,449,669.34	\$29,677,394.16	\$106,127,063.50
2026	Grand Total	\$75,950,557.29	\$27,584,180.74	\$103,534,738.03
2027	Grand Total	\$72,650,854.26	\$25,132,646.23	\$97,783,500.49
2028	Grand Total	\$71,533,352.22	\$22,605,369.77	\$94,138,721.99
2029	Grand Total	\$66,550,555.33	\$20,490,662.45	\$87,041,217.78
2030	Grand Total	\$60,464,436.33	\$18,626,726.27	\$79,091,162.60
2031	Grand Total	\$54,472,520.39	\$16,874,728.02	\$71,347,248.41
2032	Grand Total	\$51,939,322.58	\$15,140,682.36	\$67,080,004.94
2033	Grand Total	\$43,595,786.09	\$13,486,104.80	\$57,081,890.89
2034	Grand Total	\$43,595,786.09	\$11,882,432.41	\$55,478,218.50
2035	Grand Total	\$43,595,557.09	\$10,306,234.43	\$53,901,791.52
2036	Grand Total	\$43,595,557.09	\$8,695,488.36	\$52,291,045.45
2037	Grand Total	\$42,095,173.70	\$7,101,470.28	\$49,196,643.98
2038	Grand Total	\$41,128,085.75	\$5,539,407.67	\$46,667,493.42
2039	Grand Total	\$30,724,683.34	\$4,175,120.77	\$34,899,804.11
2040	Grand Total	\$25,413,213.04	\$3,119,773.88	\$28,532,986.92
2041	Grand Total	\$18,725,800.15	\$2,292,472.59	\$21,018,272.74
2042	Grand Total	\$18,725,800.15	\$1,583,719.65	\$20,309,519.80
2043	Grand Total	\$11,877,899.73	\$969,167.76	\$12,847,067.49
2044	Grand Total	\$9,096,344.35	\$493,956.79	\$9,590,301.14
2045	Grand Total	\$5,876,344.35	\$138,670.67	\$6,015,015.02
Total Currently Bonded Debt		\$908,057,298.66	\$245,916,410.06	\$1,153,973,708.72