

Scarborough Public Schools

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Good morning,

My name is Diane Nadeau, Superintendent of Scarborough Public Schools, and I am here to speak regarding the proposed revisions to the EPS funding model under LD 2226.

While the goal of "modernizing" our school funding formula is sorely needed, the current incomplete proposal contains methodological flaws that create severe fiscal instability for specific Maine communities. Scarborough faces a projected loss of over \$1 million—the largest decrease in the state. This is part of a broader, disproportionate impact on Cumberland County, where just four districts would absorb \$3 million of the total \$5 million in redistributive losses statewide.

My first concern is the proposed "Ability to Contribute" model. The proposal uses the percentage of "economically disadvantaged students" as the sole proxy for a community's income level. This is fundamentally flawed. In Scarborough, 76.3% of households have no school aged children, and 39% of households include at least one person over 65 years of age.

Basing a community's entire ability to pay on data from less than 24% of households ignores the financial reality of our seniors and long-term residents in our community. Many of these neighbors are "asset rich but cash poor"—living in homes they've owned for generations while struggling to stay in them as property values and tax rates climb.

Second, the shift to a Cost-of-Living index for regional adjustments does not go far enough. Even with new settings, four Cumberland County districts are being financially impacted more than any others statewide.

Finally, we have heard that property tax relief efforts are being recommended to "soften the blow." However, unless tax relief is structurally intertwined with the funding model itself, it will not work. Without direct integration, these efforts risk being temporary or misdirected, failing to provide the guaranteed protection our taxpayers need.

I urge this committee to consider four critical adjustments:

1. Broaden the Income Proxy: Use Median Household Income or Total Taxable Income to reflect the entire community. Using student economic status is not an accurate reflection of the community.

2. Implement a "Hold Harmless" Provision: Ensure that no district experiences a loss of subsidy at all, or cap annual decreases at small fixed percentages like 2-3%.

3. Refine the Cost-of-Living Index: Ensure it accurately reflects the housing and labor costs unique to the Greater Portland region.

4. Integrate Property Tax Relief: Make tax relief a structural, guaranteed component of the funding model.

We must ensure that any changes do not come at the cost of the financial stability of our residents. Thank you for your time and for your service to the students and taxpayers of Maine.

Best,



Diane Nadeau, Ph.D.
Superintendent