



Maine Municipal
Association

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Testimony of the Maine Municipal Association

In Support of

LD 1114 – *An Act To Require the State To Meet the Mandatory 55 Percent Contribution to Schools*
April 13, 2021

Senator Rafferty, Representative Brennan and members of the Education and Cultural Affairs Committee, my name is Neal Goldberg, and I am providing testimony in support of LD 1114 on behalf of MMA's Legislative Policy Committee.

The Association supports legislation that achieves the state's goal, as required by law, to fund 55% of the statewide adjusted total cost of the components of the essential programs and services. This funding goal, approved by Maine voters over 15 years ago, has been unmet since its enactment in law. As a result, property-tax payers have had to cover the state's shortfall ever since.

According to data from the Office of Fiscal and Program Review's report on funding dispersed to municipalities and counties, in 2019 the state provided \$977 million in general purpose aid.¹ MMA projects the municipal share in 2019 to have been \$1.18 billion, or nearly 55% of total K-12 education. If the state had met its 55% goal that year, it would have saved local property payers \$209 million.

The largest municipal expenditure is funding the local share of K-12 education. Depending on the portion provided by the state, the municipal share can consume over half of all property tax revenue. This heavy tax burden leaves municipalities with limited resources to provide the remaining services that their residents require. If the state meets its obligatory 55% commitment for K-12 education, municipalities could redirect funding to improve other vital services.

Any effort this Committee can take to push the state towards the 55% target would be welcome by our members. Thank you for taking time to consider this important matter.

¹ "Summary of Major State Funding Disbursed to Municipalities and Counties," Office of Fiscal and Program Review, November 2019. <https://legislature.maine.gov/doc/3580>