

Education Funding Falters in Maine

Severe Education Funding Cuts Threaten Maine's Economic Future

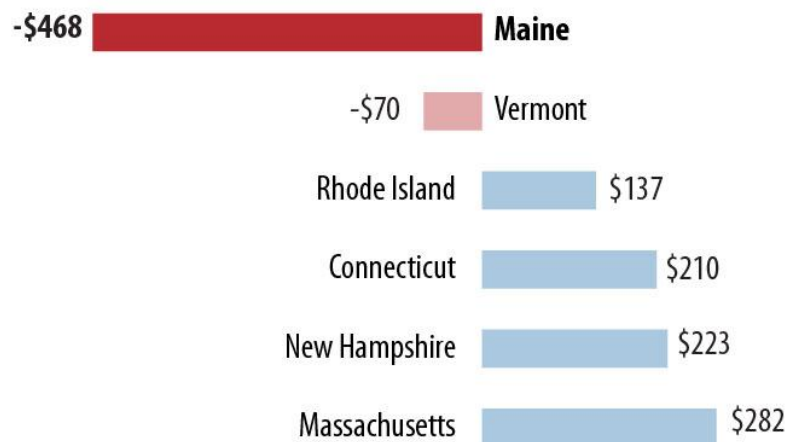
While other New England states have managed to maintain and even increase their support for K-12 education since the start of the recession, Maine has cut education funding deeply in recent years. These funding cuts threaten both students' and the state's economic future.

Maine Has Cut Education Funding Deeply in Recent Years

Maine's deep reductions to K-12 education aid make it an outlier in New England. These cuts have serious implications for educational quality, economic growth, and local property taxes. After adjusting for inflation Maine has cut state aid to public schools by \$468 per-pupil, or 8.8 percent, since fiscal year 2008 when the recession hit. During that same time frame Vermont cut spending by \$70 per-pupil, while every other state in New England increased education funding by \$100 per-pupil or more.¹

Maine Made the Largest Cut to Education in New England

Change in spending per student, inflation-adjusted, FY08 to FY13



Source: Center on Budget and Policy Priorities analysis

Education Funding Cuts Have Serious Consequences

These funding cuts have serious consequences for both students and the state as a whole. They:

- **Place the State's Economic Future at Risk.** The education funding reductions Maine has made in recent years hamper Maine's long-term economic future. By undermining education funding, the cuts make it less likely Maine can develop the highly skilled workforce needed to compete in today's global economy. Cuts will also slow our near-term economic recovery as fewer teaching jobs mean less business for local stores and services. And businesses that contract with school districts see their bottom line jeopardized, potentially meaning private sector job cuts too.
- **Make it Harder to Pursue Much-Needed Improvements.** There is widespread agreement that recruiting and retaining high-quality teachers is the single most important thing schools can do to promote student

¹ Oliff, Phil, Chris Mai, and Michael Leachman. [New School Year Brings More Cuts in State Funding for Schools](#). Center on Budget and Policy Priorities. September 4, 2012.

achievement. But recruiting and retaining top teaching talent is much more difficult when school districts are slashing their budgets. Maine’s teacher salaries are 15 percent below the national average, and the lowest of any state in New England. Cuts to state funding make it even harder for Maine schools to offer competitive wages that would help to lure and keep top teachers.² In one regional school district in Central Maine, teachers voluntarily took a \$225 per year pay cut to solve the district’s budget woes caused by cuts in state aid for education.³

There is also strong evidence that smaller class sizes promote student achievement – particularly in the early grades and for low-income students – and increase the likelihood that students will attend college. But education funding cuts make it much harder for schools to maintain the staffing levels needed to keep class sizes small. Indeed, the number of teachers in Maine schools has fallen by 1,400 or about 9 percent since the 2006-07 school year, leading to a modest increase in the student teacher ratio since that time.⁴ The town of Brunswick for example has eliminated 90 school positions in the last three years and is looking at more, deeper staff cuts.⁵

- Cause Property Tax Increases.** Increasing local taxes is one of the few ways schools can offset lost state revenue and limit the need for things like teacher layoffs and class size increases. For example, in this year’s budget, the city of Bangor increased property taxes, in part to make up for cuts in state funding.⁶

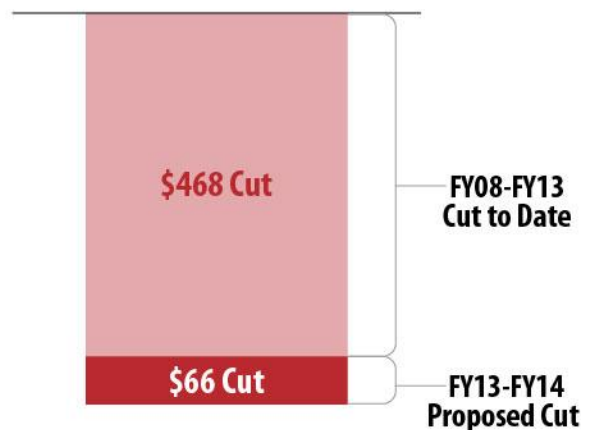
Tax Cuts Are Digging the Education Funding Hole Even Deeper

Given the damaging consequences of education funding cuts, boosting the state’s lagging education funding should be an urgent priority for state policymakers. But major tax cuts that the state enacted last year threaten to dig Maine’s education funding hole even deeper. The tax cut is a big part of the reason why the state faces an \$881 million gap between existing revenues and the amount required to keep up with rising needs in the two year budget that begins on July 1st of this year.

To close this gap the governor has effectively recommended additional education funding cuts in the state’s next budget, on top of the deep cuts that have already been made to date. This is a major step in the wrong direction. Instead of providing tax cuts that overwhelmingly benefit the state’s wealthiest residents, Maine should be strengthening its investment in its educational system, the asset most crucial to the state’s future prosperity.

Governor’s Budget Cuts Education Funding Even Deeper

Change in state education funding per pupil, inflation-adjusted



Source: Calculations using Maine Office of Fiscal & Program Review and Governor’s Proposed Budget data

² Analysis of National Center for Education Statistics. [Digest of Education Statistics](#). “[Table 84, Estimated average annual salary of teachers in public elementary and secondary schools, by state, Selected years, 1969-70 through 2011-12.](#)”

³ Hongoltz-Hetling, Matt and Rachel Ohm. [Kennebec Journal](#). “[Finally, RSU 18 budget passes on third try.](#)” October 2, 2012.

⁴ Analysis of National Center for Education Statistics. [Common Core of Data](#).

⁵ Bouchard, Amy. [Portland Press Herald](#). “[Districts win, lose pieces of aid pie.](#)” February 6, 2012 and Brunswick School Department. [2012 – 2013 School Budget Presentation to Brunswick Town Council](#), May 3, 2012.

⁶ City of Bangor, [Resolve, Making an Appropriation for Municipal Year 2013](#), June 11, 2012.