



Maine Center for Economic Policy

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Quote

"Shortchanging schools at the state level is a recipe for increasing inequality between Maine's communities and hampers our ability to educate a workforce that is prepared to grow the economy."

MECEP report: [Moving Maine Students to the Head of the Class](#), September 19, 2016

Facts & Figures

Who Pays for K-12 Education

MECEP Matters e-newsletter
September 2016

Dear MECEP Friend,

Election time is near and Maine voters will have the opportunity to weigh in on a range of issues and candidates on November 8. MECEP's board of directors voted recently to endorse two referendum questions on Maine's ballot that would have immediate and long term effects benefiting families and the state's economy. As part of our decision-making process, MECEP conducted extensive research and analysis ultimately leading to reports of our findings on both Question 2, which rolls back recent tax cuts for the wealthy to increase education funding, and Question 4, which raises Maine's minimum wage incrementally to \$12 per hour by 2020. MECEP's board also highlighted the need for the organization to play an active role in monitoring the implementation and impacts of these initiatives if voters approve them.

From policy conception to policy implementation to policy outcomes evaluation, Maine people can count on MECEP to deliver reliable, fact-based analysis to advance shared prosperity for all Mainers.

Sincerely,
Mark Sullivan
Communications Director

Moving Maine's Students to the Head of the Class while Making State Taxes Fairer

On September 19, MECEP released [Moving Maine Students to the Head of the Class](#), our analysis of the ballot initiative (Question 2), to roll back recent tax breaks for the wealthy and dedicate this revenue toward additional state level resources for schools. We found that the three percent tax on income above \$200,000 will increase state funding for schools annually by more than \$150 million. We also concluded that it will improve tax fairness, help promote greater opportunity for low-income students, and level the playing field between property-poor and property-rich towns. It will benefit students, businesses, and Maine families and strengthen Maine's economy.

Funding?

55%

Percent of education cost state is mandated to pay

47%

Percent of education cost state actually pays in 2017

\$1 billion

Cumulative amount of property taxes communities raised due to state underfunding of education since 2011

\$297 million

Revenue lost in 2017 from tax breaks that compromise education funding, disproportionately benefit wealthy households

\$159 million

Amount that Question 2 will raise in new funding for education

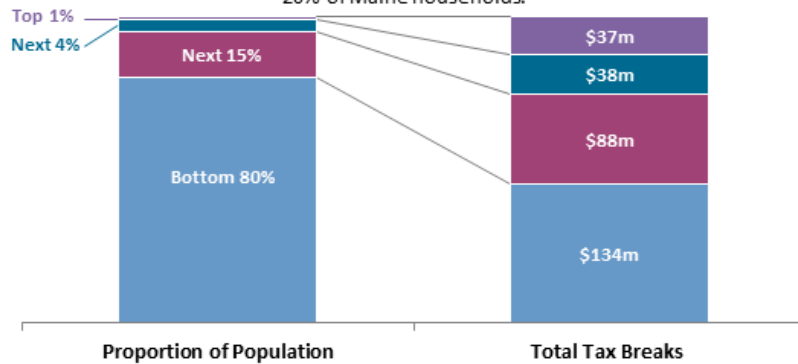
47%

Percent of Maine K-12 students living in low-income families

source: [Moving Maine Students to the Head of the Class](#)

Millions of Dollars in Lost Tax Revenue Will Fund Tax Breaks that Disproportionately Benefit Maine's Wealthiest Families

In 2017, income and sales tax changes from 2011 and 2015 will result in \$297 million in lost revenue, \$163 million of these tax breaks will benefit the wealthiest 20% of Maine households.



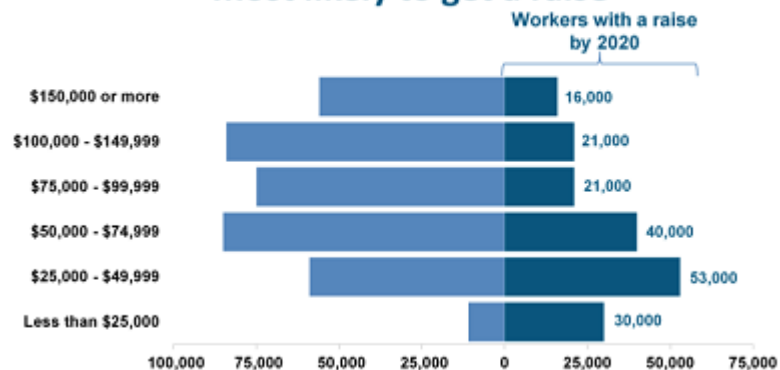
Data Source: Institute on Taxation and Economic Policy (ITEP)

[click here](#) for a PDF of the full report.

[click here](#) for a PDF of the report's executive summary.

Restoring the Value of Work: The Effects from Raising Maine's Minimum Wage

Workers in low income families are most likely to get a raise



MECEP's analysis, [Restoring the Value of Work](#), of the ballot initiative (Question 4) to increase the state's minimum wage incrementally to \$12 per hour by 2020 found it will raise wages for 181,000 Maine workers on average by \$3,485 per year. Cumulatively, these workers will make \$630 million more annually, providing a boost to our state economy and especially benefiting specific demographic segments including women and seniors. Our report also found that increasing the state's minimum wage would have a transformative effect on children. Research shows that a \$3,000 increase in income for households earning less than \$25,000 a year with a child in the home age five or under results in, on average, a 17 percent increase in that child's lifetime earnings.

[click here](#) for a PDF of the full report.

Connect with us



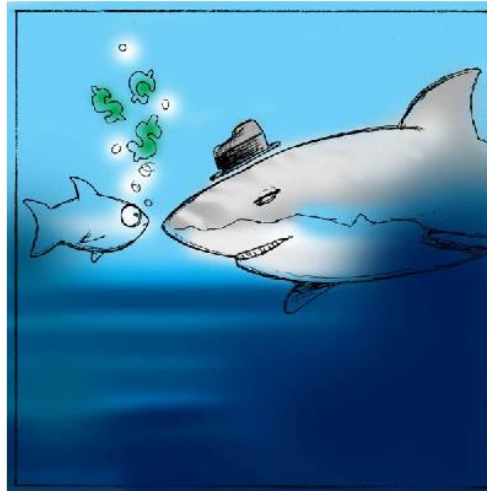
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[click here](#) for a PDF of the reports executive summary.

[click here](#) to read a **Portland Press Herald** op ed about the report.

In the News



George Danby | BDN

The diversity of MECEP's work fuels the diversity of our media coverage. This summer, our output has included two major research and analysis projects regarding upcoming referendum initiatives, assessment of data releases from the US Census Bureau, and proposed federal rules to end the predatory practices of payday loan sharks.

[Minimum wage opponents predict job losses, higher prices](#)

September 28, 2016 | WCSH-TV

[Conservative group urges no vote on minimum wage hike](#)

September 28, 2016 | Maine Public

[Report Claims Minimum Wage Increase Would Hurt Maine's Workforce](#)

September 28, 2016 | WABI-TV

[WZON interview about MECEP's analysis of new Maine monthly employment data](#)

September 23, 2016 | WZON-AM

[Maine income grows, but outpaced by nation](#)

September 19, 2016 | **Maine Biz**

[Restoring the value of work: The case for the \\$12 minimum wage \(op ed\)](#)

September 16, 2016 | **Portland Press Herald**

[Maine income, poverty rates improve](#)

September 16, 2016 | MPBN

[Payday lenders prey on vulnerable Mainers \(op ed\)](#)

September 15, 2016 | **Bangor Daily News**

[WZON interview about MECEP's analysis of new US Census Bureau data for 2015](#)

September 14, 2016 | WZON-AM

[WVOM interview about MECEP's analysis of new US Census Bureau data for 2015](#)

September 14, 2016 | WVOM-AM/FM

[Census: More Mainers Have Health Insurance](#)

September 13, 2016 | MPBN

[WMPG interview about upcoming minimum wage and school funding ballot initiatives](#)

September 6, 2016 | WMPG-FM

[Maine has the tools to make its economy work for everybody. We just need to use them. \(op ed\)](#)

August 23, 2016 | **Bangor Daily News**

[WZON interview about MECEP's new report on proposed minimum wage increase](#)

August 22, 2016 | WZON-AM

[WVOM interview about new MECEP report on proposed minimum wage increase](#)

August 18, 2016 | WVOM-AM/FM

From our Blog



Read some of MECEP's recent blog posts or [click here](#) to visit our blog.

[New MECEP report: Question 2 will raise more than \\$150 million annually to invest in student learning](#)

September 20, 2016 by Mark Sullivan

[Mounting evidence reinforces the case for accepting federal funds to improve health care access and affordability in Maine](#)

September 6, 2016 by James Myall

[Responsible lending; responsible borrowing](#)

September 1, 2016 by Jody Harris and Jack Weiss

[Faster internet speeds, wider availability would boost Maine's economy](#)

August 31, 2016 by James Myall

[Increasing the minimum wage to \\$12 will raise the annual pay of 93,000 Maine women by an average of \\$3,200](#)

August 19, 2016 by Sarah Austin

[Augusta's adherence to austerity holds Maine back](#)

August 15, 2016 by James Myall

[Let's make sure that every Mainer who aspires to succeed can go back to school](#)

August 10, 2016 by Jack Weiss

[Failure to invest in Maine's future is the real fiscal negligence](#)

August 8, 2016 by Jody Harris

[Immigrants, including refugees, are good for Maine](#)

August 5, 2016 by James Myall

[Mainers' personal income growth third slowest in the nation; are big businesses to blame?](#)

August 3, 2016 by James Myall

[New overtime rules will finally pay workers what they deserve](#)

July 29, 2016 by Jack Weiss

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