



MAINE DEPARTMENT
OF EDUCATION

Governor's Commission on School Construction

November 15, 2024

Presented by: Scott Brown and Paula Gravelle



Commission Membership

Valerie Landry, Chair of the Commission

Pender Makin, Commissioner of the Maine Department of Education

Jenny Boyden, Associate Commissioner of the Maine Department of Administrative and Financial Services

Fern Desjardins, Chair of the Maine State Board of Education

Elaine Clark, Acting Director of the State Bureau of General Services

Jane McCall, Superintendent of RSU 39 (Caribou)

Rhonda Sperrey, Superintendent of RSU 64 (Corinth)

Chris Howell, Superintendent of RSU 14 (Windham)

Roy Gott, Member of the RSU 24 (Sullivan) School Board

Hollis Cobb, Tri-State Committee member of the Maine Association of School Business Officials

Art Dudley, President of Arthur C. Dudley Contractor-Builder Inc.

Anthony Jaccarino, Investment Officer for all of the Authorities, Maine Municipal Bond Bank

Justin Poirier, Member of the Maine Municipal Association

Overview: Current State of School Building Infrastructure

Scott Brown

Office of School Construction

Scott Brown, *Director*

Valerie Chiang, *Senior Construction Coordinator*

Ann Pinnette, *School Facilities Manager*

Open Position, Construction Coordinator

Open Position, Office Administrator

Programs that Support SAUs

Leased Space Program

School Building Inventory

School Revolving Renovation Fund

Major Capital School Construction Program

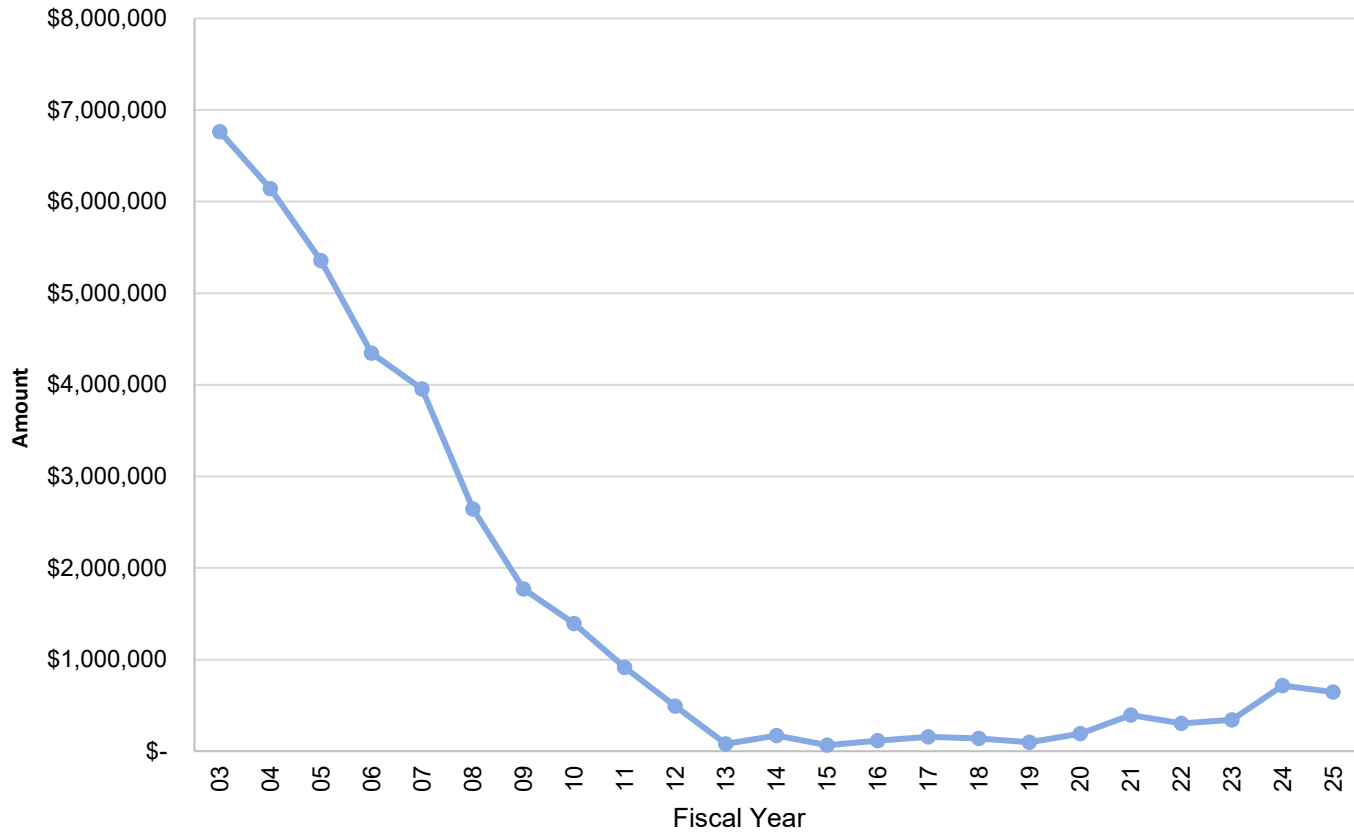
Integrated, Consolidated 9-16 Educational Facilities

Leased Space Program

Leased Space Program

- Addresses the need for leased instructional space due to overcrowding, enrollment fluctuations and new programs
- Temporary (portables) or Interim (fixed space)
- Subsidizes lease costs up to \$10 per square foot for a maximum of 5 years
- MRS 20-A §15672 & Rule Chapter 64

Total Approved Leases



Inventory/Buildings

State School Building Inventory

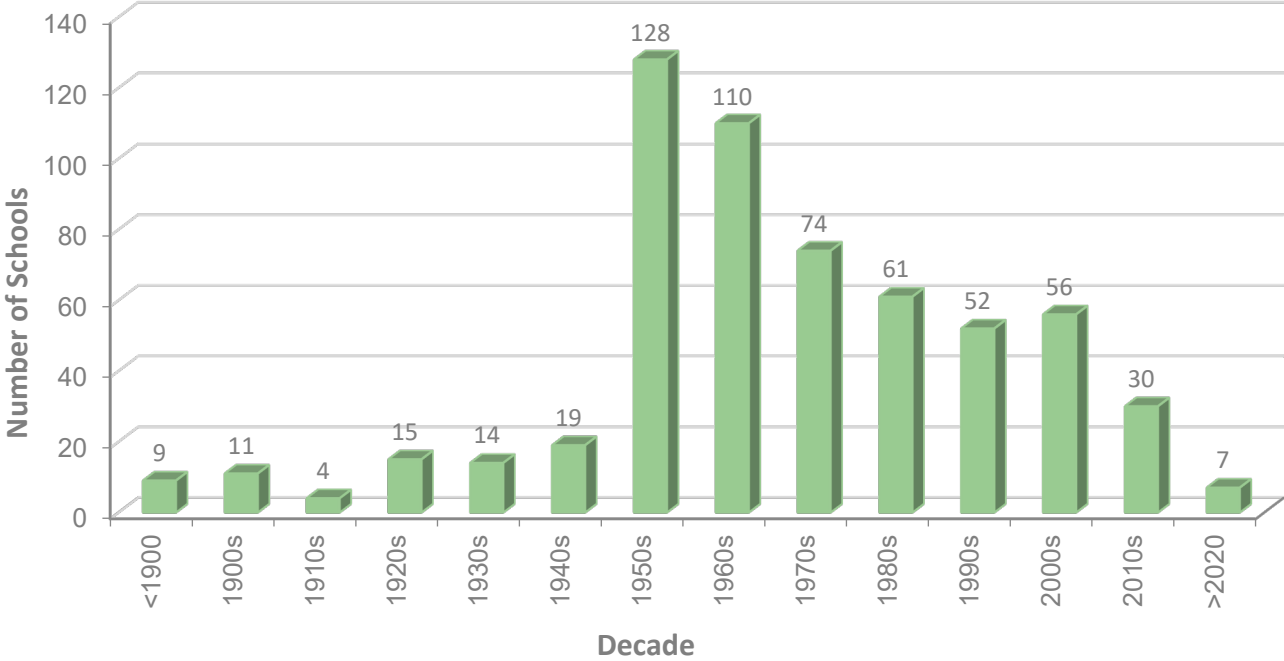
- Required by MRS 20-A §15917
- 2023 created software platform
- 2024 data collection completed for 600 public schools
- Current contract with MEPRI for data analysis
- Report due January 2025

Sample of Inventory Statistics

- Age of schools, square footage (SF), SF/student,
- HVAC & air quality data
- Site & building accessibility data
- Site & infrastructure data
- Hazardous material & environmental data
- Fire protection systems data
- School safety data

Construction of Active Maine Schools by Decade

-Original Construction



Source: MDOE School Facilities Inventory Report: 20-A M.R.S. § 15917



School Revolving Renovation Fund

School Revolving Renovation Fund

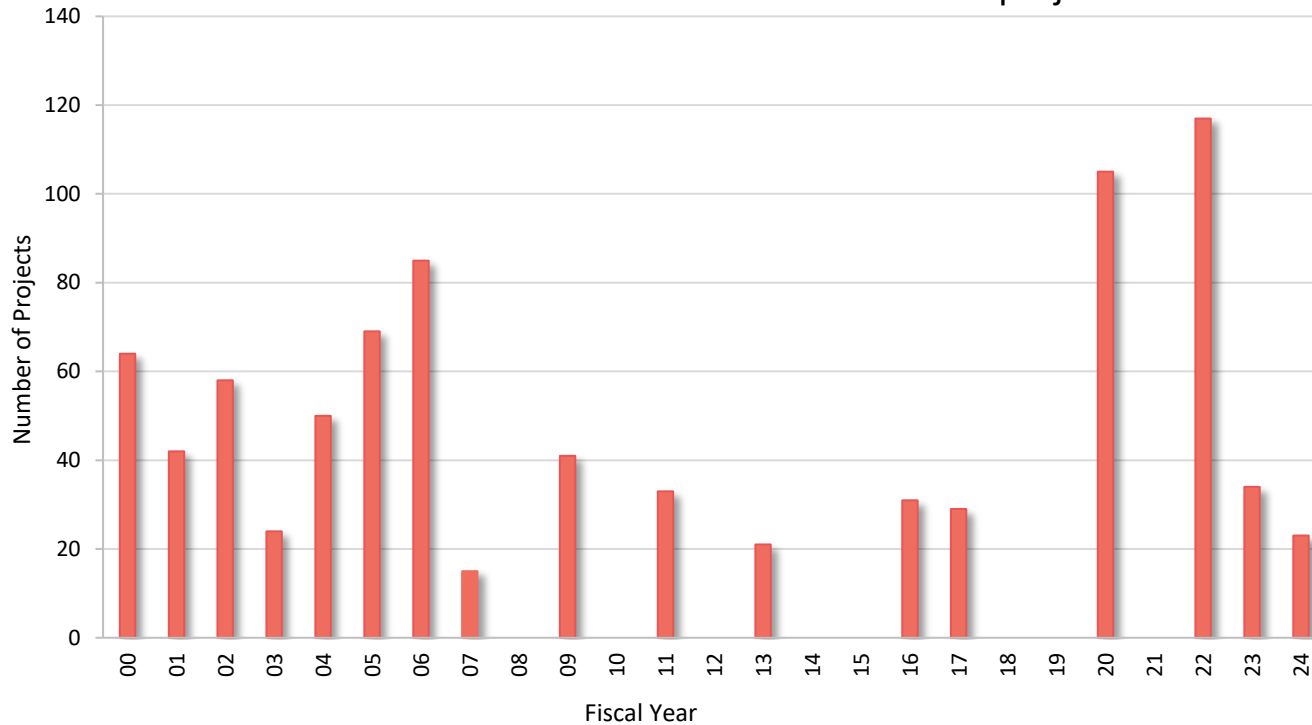
- Provides loans to SAUs for school repairs and renovations
- Revenue sources:
 - Legislative appropriations
 - State issued bonds
 - Interest earned from investment of fund balance
 - Repayments of loans made from the fund
 - School construction audit recoveries
- Administered jointly with Maine Municipal Bond Bank

School Revolving Renovation Fund

- Loans are repaid at 0% interest
 - \$500,000 or less repaid over 5 years
 - \$501,000 and over are repaid over 10 years
- Between 30% and 70% of the loan is forgiven (based on State share)
- Loan limit is \$2m per school building per funding priority over 5 years
- MRS 30-A § 6006-F & Rule Chapter 64

SRRF Number of Projects Funded

875 total projects



Major Capital School Construction Programs

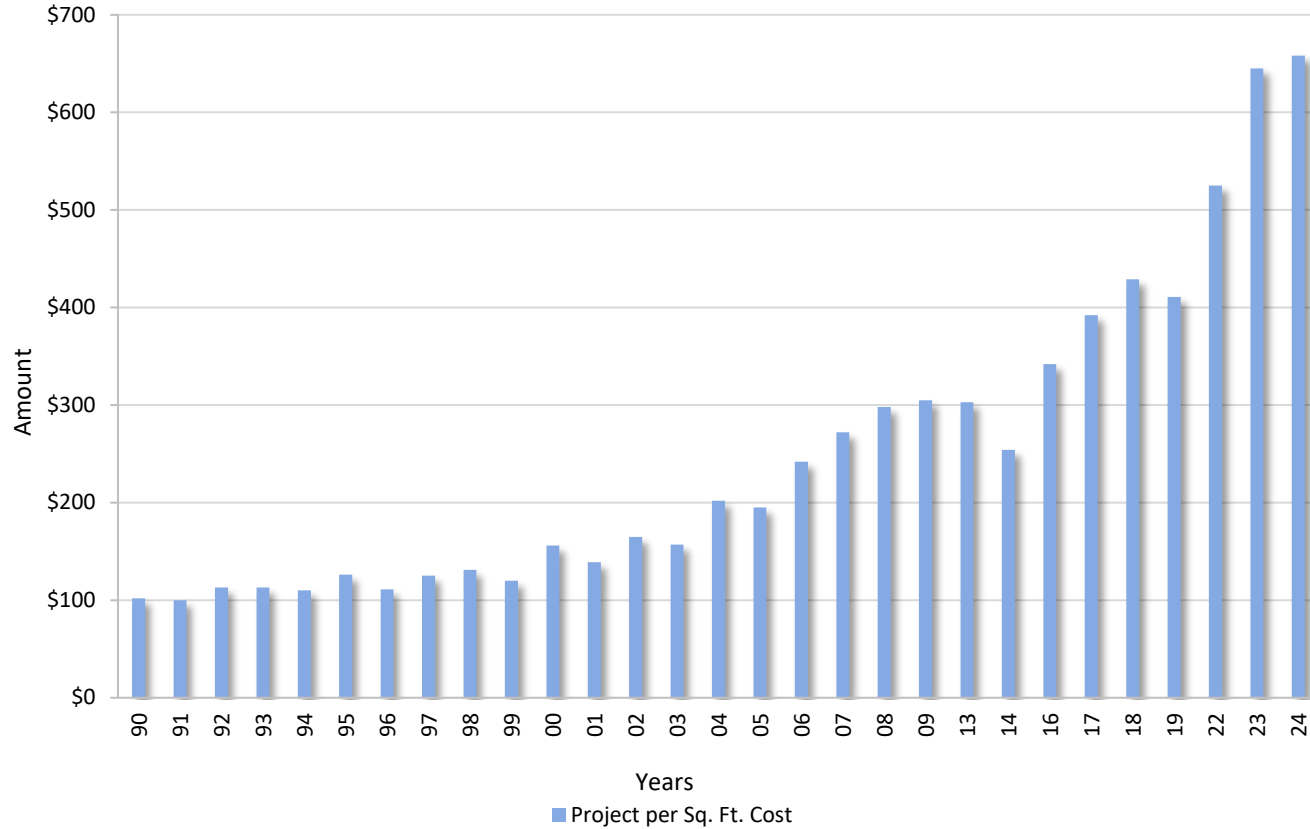
Major Capital School Construction

- New construction or major renovation projects
- MRS 20A - Chapter 609
 - Statutory debt ceiling 15905
- Chapter 61 State Board of Education Rules for Major Capital School Construction Projects
- Recently initiated the 2024-2025 Rating Cycle
 - Received 97 applications – In scoring process

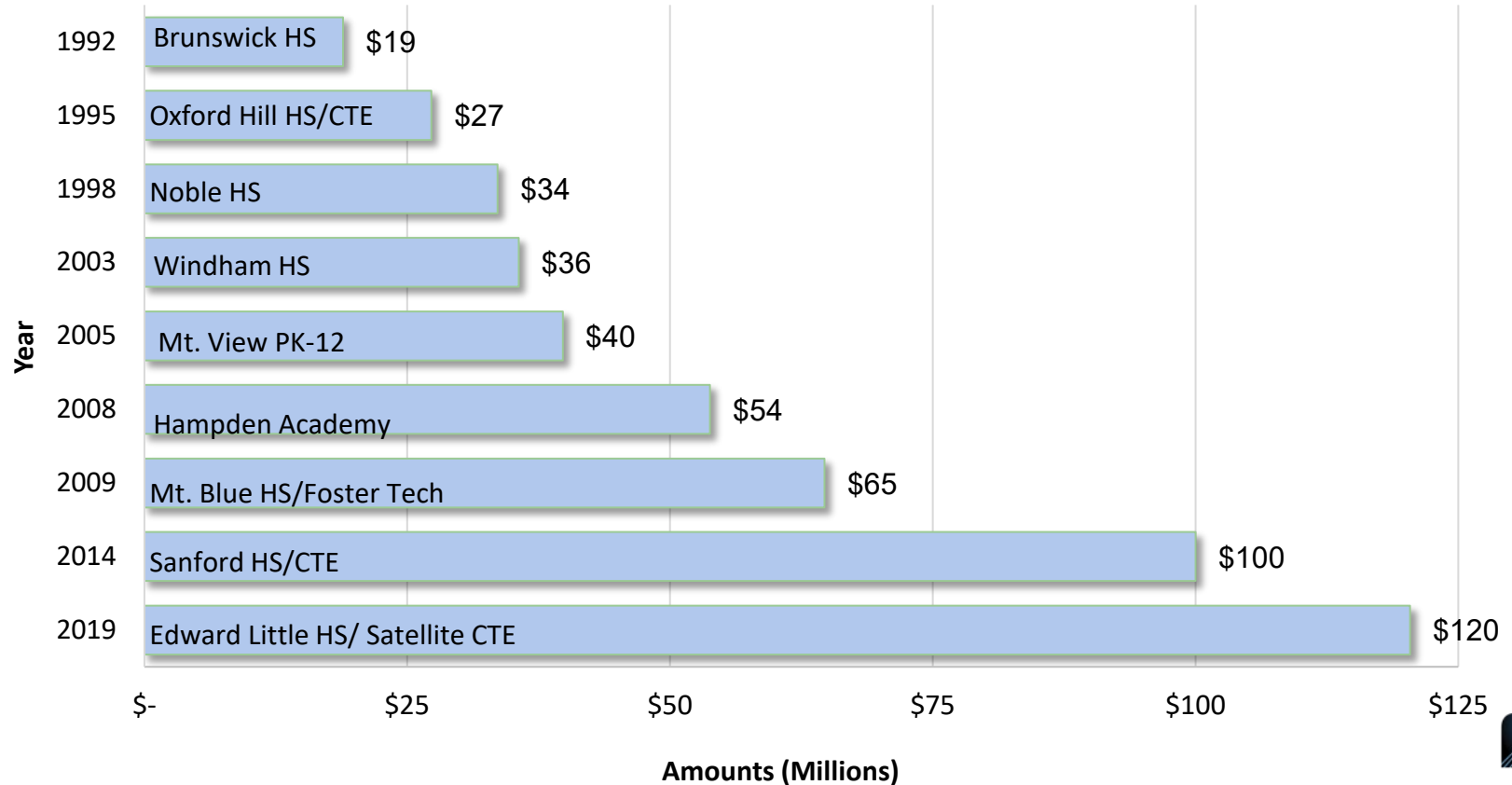
Review of Past Cycles

Cycle	# of Applications	# of Projects Funded	Project Cost
1999-2000	70	23	\$249,729,086
2001-2002	92	12	\$183,894.704
2004-2005	66	19	\$498,342,326
2010-2011	71	16	\$787,113,271
2017-2018	74	9	\$748,906,165 est

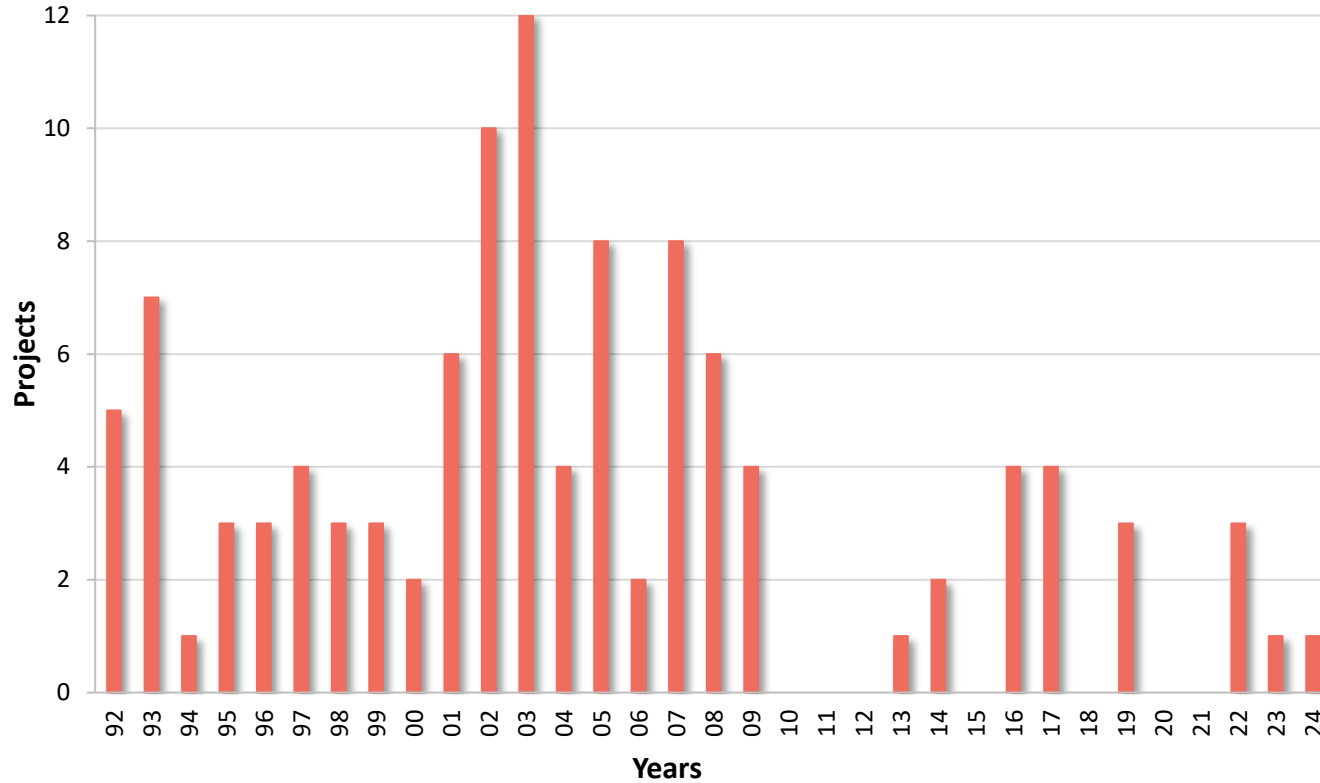
Project Cost Per Square Foot



Milestone Projects



SBE Concept Approvals Per Year

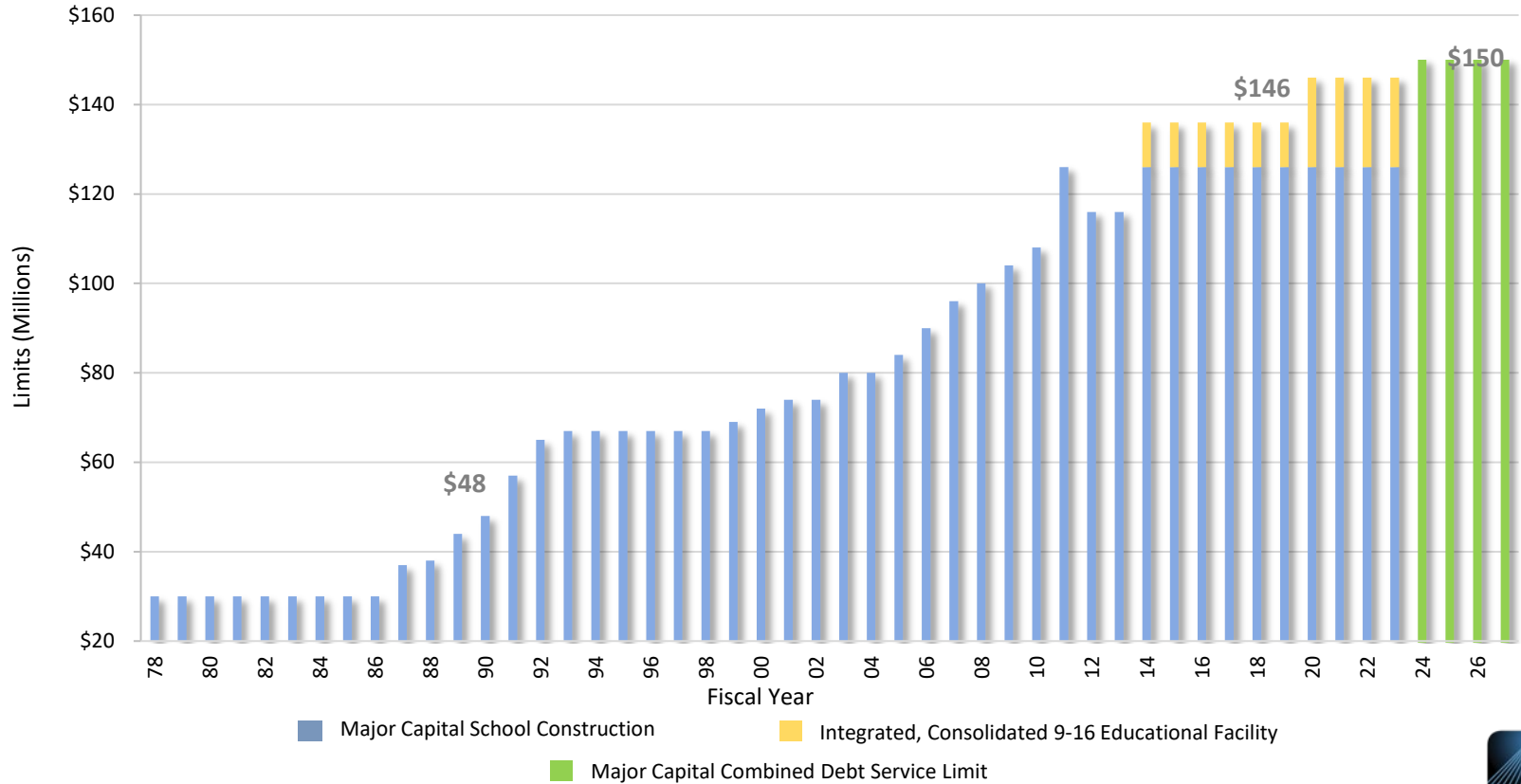


Integrated, Consolidated 9-16 Educational Facility Program

Integrated, Consolidated 9-16 Educational Facility Program

- A one campus facility that includes a regional high school, CTE, higher education center, and industry training
- MRS 20A - Chapter 609
 - Statutory debt ceiling 15905
- Chapter 61 State Board of Education Rules for Major Capital School Construction Projects
- A new 2024-2025 Rating Cycle has been initiated
 - Applications due in June 2025
 - No projects funded to date

Major Capital Statutory Debt Service Limits



Break Time



School Construction Funding

Paula Gravelle

Debt Service Costs

- *For subsidy purposes*

Rule Chapter 61:

Section 11.3: State Funds

The Department shall include the appropriate amount of debt service principal and interest in an SAU's debt service allocation.

MRS 20-A §15672, subsection 2-A,A

2-A. Debt service costs. "Debt service costs," for subsidy purposes, includes:

A. Principal and interest costs for approved major capital projects in the allocation year, excluding payments made with funds from state and local government accounts established under the federal Internal Revenue Code and regulations for disposition of excess, unneeded proceeds of bonds issued for a school project and excluding any principal and interest costs attributable to a school closed for lack of need pursuant to chapter 202;

[PL 2013, c. 167, Pt. B, §1 (AMD).]

Debt Service Costs

- *For subsidy purposes*



Rule Chapter 61:

Section 12: Bonding of Major Capital School Construction Projects

Bonds for Major Capital School Construction projects shall be sold after favorable local referendum vote on a schedule approved by the State Board that accommodates the approved debt service limit as established by the Legislature.

1. The Commissioner shall be guided by the following table in determining the length of school construction bonding issues:
 - A. Bond issues of \$2,500,000 and under – 15 years
 - B. Bond issues in excess of \$2,500,000 – 20 years

RSU 54/SAD 54 Debt Service Allocation ED 279

ED 279

STATE OF MAINE DEPARTMENT OF EDUCATION
AUGUSTA 04333

11/7/2024

STATE CALCULATION FOR FUNDING PUBLIC EDUCATION (PreK-12) REPORT

ORG ID : 860

RSU 54/MSAD 54

2024 - 2025

Section 3: Other Allocations

Section : 3

C) Debt Service Allocations

1)	Town / District	Payment Date	Name of Project	Principal		Interest		Total
	RSU 54/MSAD 54	11/01/2024	New PreK-5 School	3,000,000.00	+	1,267,320.00	=	4,267,320.00
		05/01/2025	New PreK-5 School	0.00	+	1,208,370.00	=	1,208,370.00
		11/01/2024	New PreK-5 School (Skowhegan) - Second Bond	0.00	+	0.00	=	0.00
		05/01/2025	New PreK-5 School (Skowhegan) - Second Bond	0.00	+	169,843.79	=	169,843.79
	SAD #54	11/01/2024	MILL STREAM ELEM. SCH.	728,769.00	+	31,410.18	=	760,179.18
		05/01/2025	MILL STREAM ELEM. SCH.	0.00	+	49,009.74	=	49,009.74
2)	Total Debt Service Principal & Interest Payments			3,728,769.00		2,725,953.71		6,454,722.71
3)	Approved Lease for 2023 - 24		RSU 54/MSAD 54					0.00
4)	Approved Lease Purchase for 2023 - 24 for		RSU 54/MSAD 54					0.00
Total Debt Service Allocation							=	6,454,722.71



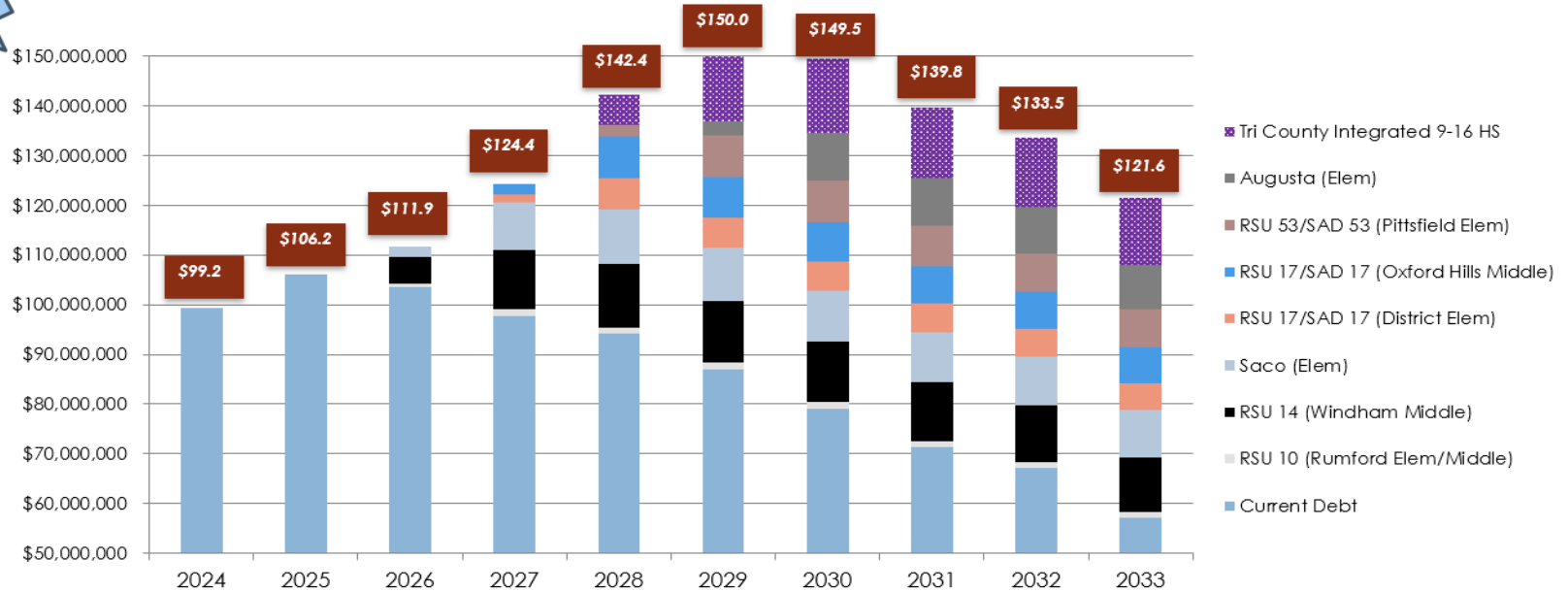
Major Capital Improvement – Current Bonded Debt

STATE OF MAINE DEPARTMENT OF EDUCATION
DEBT SERVICE PAYMENTS BY FISCAL YEAR
BEGINNING WITH FY 2025

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

Major Capital Improvement – Debt Service Impact

Current Debt Ceiling





Regular Commission Meeting #2 Financing Models

- Friday, Dec. 20, 2024
- 1:00 p.m. - 3:30 p.m.
- Room 103 A & B
- Cross Office Building, 111 Sewall Street, Augusta, ME 04330