

# MAINE STATE LEGISLATURE

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# 132nd MAINE LEGISLATURE

## FIRST REGULAR SESSION-2025

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Legislative Document

No. 1103

S.P. 466

In Senate, March 18, 2025

### **An Act Regarding Unallocated Balances in a School Administrative Unit School Budget**

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Received by the Secretary of the Senate on March 14, 2025. Referred to the Committee on Education and Cultural Affairs pursuant to Joint Rule 308.2 and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT  
Secretary of the Senate

Presented by Senator RAFFERTY of York.  
Cosponsored by Representative MITCHELL of Cumberland and  
Representatives: DODGE of Belfast, HAGGAN of Hampden, SARGENT of York.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 20-A MRSA §15689-B, sub-§6**, as amended by PL 2021, c. 213, §1, is  
3 further amended to read:

4 **6. Balance of allocations.** Notwithstanding any other law, general operating fund  
5 balances at the end of a school administrative unit's fiscal year must be carried forward to  
6 meet the unit's needs in the next year or over a period not to exceed 3 years. Unallocated  
7 balances ~~in excess of 5% of the previous fiscal year's school budget must be used to reduce~~  
8 ~~the state and local share of the total allocation for the purpose of computing state subsidy.~~  
9 ~~School boards may carry forward unallocated balances in excess of 5% of the previous~~  
10 ~~year's school budget and disburse these funds in the next year or over a period not to exceed~~  
11 ~~3 years. For fiscal years 2021-22, 2022-23, 2023-24 and 2024-25 only, unallocated~~  
12 ~~balances in excess of 9% of the previous fiscal year's school budget must be used to reduce~~  
13 ~~the state and local share of the total allocation for the purpose of computing state subsidy~~  
14 ~~and school. School boards may carry forward unallocated balances in excess of 9% of the~~  
15 ~~previous fiscal year's school budget and disburse these funds in the next year or over a~~  
16 ~~period not to exceed 3 years.~~

17 **SUMMARY**

18 This bill modifies the provision of law related to carrying forward general operating  
19 fund unallocated balances at the end of a school administrative unit's fiscal year. Under  
20 current law, unallocated balances in excess of 5% of the previous fiscal year's school budget  
21 must be used to reduce the state and local share of the total allocation for the purposes of  
22 computing state subsidy and school boards may carry forward unallocated balances in  
23 excess of 5% of the previous year's school budget and disburse the funds over a period not  
24 to exceed 3 years, except for in fiscal years 2021-22, 2022-23, 2023-24 and 2024-25, during  
25 which time the applicable percentage threshold is 9% of the previous year's school budget,  
26 not 5%.

27 The bill modifies this provision to provide that the temporary percentage threshold of  
28 9% applies to all future fiscal years.