

MAINE STATE LEGISLATURE

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132nd MAINE LEGISLATURE

FIRST SPECIAL SESSION-2025

Legislative Document

No. 1518

H.P. 1003

House of Representatives, April 8, 2025

An Act to Clarify the Amount and Use of Unallocated Balances in a School Administrative Unit Budget

Reference to the Committee on Education and Cultural Affairs suggested and ordered printed.

A handwritten signature in cursive script, reading "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative FROST of Belgrade.
Cosponsored by Representatives: FRIEDMANN of Bar Harbor, HASENFUS of Readfield,
ROEDER of Bangor, Senator: BRADSTREET of Kennebec.

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

Sec. 1. 20-A MRSA §15004, first ¶, as amended by PL 1989, c. 425, §3, is further amended to read:

The unexpended balance of all money raised by a school administrative unit, received from the State for general-purpose aid or for other educational programs; from the Federal Government directly or from the Federal Government through the State; from tuition payments made by other units, the State, or by individuals; and other receipts for school purposes ~~shall~~ must be carried forward and ~~credited to~~ spent by the unit for educational programs ~~for in~~ the ensuing year.

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

6. Balance of allocations. Notwithstanding any other law to the contrary, general operating fund balances at the end of a school administrative unit's fiscal year must be carried forward to meet the unit's needs in the next year or over a period not to exceed 3 years. Unallocated balances in excess of 5% of the previous fiscal year's school budget must be used to reduce the state and local share of the total allocation for the purpose of computing state subsidy spent to fund educational programs. School boards may carry forward unallocated balances in excess of 5% of the previous year's school budget and disburse spend these funds for educational programs in the next year or over a period not to exceed 3 years. ~~For fiscal years 2021-22, 2022-23, 2023-24 and 2024-25 only, unallocated balances in excess of 9% of the previous fiscal year's school budget must be used to reduce the state and local share of the total allocation for the purpose of computing state subsidy and school boards may carry forward unallocated balances in excess of 9% of the previous fiscal year's school budget and disburse these funds in the next year or over a period not to exceed 3 years~~ The unallocated funds must be held separate and apart from all other money, funds and accounts.

SUMMARY

This bill amends the laws governing unexpended balances and unallocated general operating fund balances of school administrative units in the following ways.

1. It changes the current requirement that the unexpended balance of all money raised by a school administrative unit received for school purposes be carried forward and credited to the unit for educational programs in the ensuing year, to instead require that the unexpended balance be carried forward and spent by the unit in the ensuing year.

2. It changes the current requirement that unallocated general operating fund balances in excess of 5% of the previous fiscal year's school budget be used to reduce the state and local share of the total allocation for the purpose of computing state subsidy, to instead require that the unallocated balances in excess of 5% be used to fund educational programs. It authorizes school boards to carry forward unallocated balances in excess of 5% of the previous year's school budget and spend those funds for educational programs in the next year or over a period not to exceed 3 years.

3. It strikes language that applies only to fiscal years 2021-22, 2022-23, 2023-24 and 2024-25.