

MAINE STATE LEGISLATURE

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128th MAINE LEGISLATURE

FIRST REGULAR SESSION-2017

Legislative Document

No. 737

H.P. 517

House of Representatives, March 2, 2017

An Act To Allow Public Schools To Reserve Funds Designated for Operating Costs

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

A handwritten signature in cursive script that reads "Robert B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative STEARNS of Guilford.
Cosponsored by Representatives: AUSTIN of Gray, HIGGINS of Dover-Foxcroft, WARD of Dedham.

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

2 **Sec. 1. 20-A MRSA §1312**, as amended by PL 1987, c. 737, Pt. C, §§42 and 106
3 and PL 1989, c. 6; c. 9, §2; c. 104, Pt. C, §§8 and 10; and c. 132, §§1 and 2, is further
4 amended to read:

5 **§1312. Reserve fund for capital projects**

6 School administrative districts may establish a reserve fund for capital projects as
7 follows.

8 **1. Establishment.** A school administrative district may establish a reserve fund for
9 school construction projects, financing the acquisition or reconstruction of a specific or
10 type of capital improvement or financing the acquisition of a specific item or type of
11 capital equipment by including a request in the district budget and receiving voter
12 approval. The board of directors ~~shall be~~ is the trustee of the reserve fund. The reserve
13 fund ~~shall~~ must be deposited or invested by the treasurer under the direction of the board.

14 **2. Deposit or investment.** All district funds, including reserve funds and trust funds
15 to the extent that the terms of the instrument or vote creating the fund do not prohibit,
16 ~~shall~~ must be deposited or invested by the treasurer under the direction of the board of
17 directors according to the requirements for the deposit or investment of municipal funds
18 contained in Title 30-A, chapter 223, subchapter ~~III-A~~ 3-A.

19 **3. Expending money from reserve funds.** The board of directors may expend the
20 sum in the reserve fund when authorized to do so by a vote of the district at a district
21 meeting or a district budget meeting, when an article for that purpose is set out in the
22 warrant calling the meeting.

23 **Sec. 2. 20-A MRSA §1312-A** is enacted to read:

24 **§1312-A. Reserve fund for operating costs**

25 School administrative districts may establish a reserve fund for operating costs as
26 follows.

27 **1. Establishment.** A school administrative district may establish a reserve fund for
28 up to 3 months' operating costs, including salary and benefits. The board of directors is
29 the trustee of the reserve fund. The reserve fund must be deposited or invested by the
30 treasurer under the direction of the board.

31 **2. Deposit or investment.** All district funds, including reserve funds, must be
32 deposited or invested by the treasurer under the direction of the board of directors
33 according to the requirements for the deposit or investment of municipal funds contained
34 in Title 30-A, chapter 223, subchapter 3-A.

35 **3. Expending money from reserve funds.** The board of directors may expend the
36 sum in the reserve fund when authorized to do so by a vote of the district at a district
37 meeting or a district budget meeting, when an article for that purpose is set out in the
38 warrant calling the meeting.

