

MAINE STATE LEGISLATURE

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L.D. 1198

Date: 6-3-21

(Filing No. H.361)

MAJORITY

EDUCATION AND CULTURAL AFFAIRS

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
130TH LEGISLATURE
FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" to H.P. 876, L.D. 1198, "An Act Authorizing an Increase to the Maximum Annual Fund Balance for Public School Districts"

Amend the bill by striking out everything after the enacting clause and inserting the following:

'Sec. 1. 20-A MRSA §15689-B, sub-§6, as amended by PL 2009, c. 571, Pt. XXX, §1, is further amended to read:

6. Balance of allocations. Notwithstanding any other law, 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 3% 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. School boards may carry forward unallocated balances in excess of 3% 5% of the previous year's school budget and disburse these funds in the next year or over a period not to exceed 3 years. For fiscal years 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 only, the carry forward of a school administrative unit's unallocated balances is not limited to 3% of the previous fiscal year's school budget. 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.'

Amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

SUMMARY

This amendment, which is the majority report of the committee, allows school boards to carry forward 5% of the previous year's school budget without reduction of the state and local share of the total allocation for the purpose of computing state subsidy. It allows

COMMITTEE AMENDMENT

COMMITTEE AMENDMENT ^A " to H.P. 876, L.D. 1198

- 1 school boards to carry forward unallocated balances in excess of 5% of the previous year's
- 2 school budget and disburse these funds in the next year or over a period not to exceed 3
- 3 years. For fiscal years 2021-22, 2022-23, 2023-24 and 2024-25, the carry-forward limit is
- 4 established at 9%.

FISCAL NOTE REQUIRED
(See attached)

COMMITTEE AMENDMENT

Approved: 05/18/21 *mac*



130th MAINE LEGISLATURE

LD 1198

LR 605(02)

An Act Authorizing an Increase to the Maximum Annual Fund Balance for Public School Districts

Fiscal Note for Bill as Amended by Committee Amendment *A(H-361)*
Committee: Education and Cultural Affairs
Fiscal Note Required: Yes

Fiscal Note

No state fiscal impact

Fiscal Detail and Notes

Increasing the amount of unallocated general operating fund balances that a school board may carry forward each year from 3% of the previous fiscal year's school budget to 9% for fiscal year 2020-21 through 2024-25 and 5% for each subsequent fiscal year will not impact the total cost of public education from kindergarten to grade 12 or the State's share of that cost.