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

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

**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%~~ 15% 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%~~ 15% 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.~~

**SUMMARY**

This bill provides that a school board may carry forward unallocated balances in excess of 15% of the previous year's school budget, instead of 3% as current law provides.