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Legislative Document

No. 1198

H.P. 876

House of Representatives, March 22, 2021

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

Received by the Clerk of the House on March 18, 2021. Referred to the Committee on Education and Cultural Affairs pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

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

ROBERT B. HUNT
Clerk

Presented by Representative CARLOW of Buxton.
Cosponsored by Representative: BAILEY of Gorham.

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 2009, c. 571, Pt. XXX,
3 §1, is 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 ~~3%~~ 15% of the previous fiscal year's school budget must be used to
8 reduce the state and local share of the total allocation for the purpose of computing state
9 subsidy. School boards may carry forward unallocated balances in excess of ~~3%~~ 15% of
10 the previous year's school budget and disburse these funds in the next year or over a period
11 not to exceed 3 years. ~~For fiscal years 2008-09, 2009-10, 2010-11, 2011-12, 2012-13,~~
12 ~~2013-14 and 2014-15 only, the carry forward of a school administrative unit's unallocated~~
13 ~~balances is not limited to 3% of the previous fiscal year's school budget.~~

14 **SUMMARY**

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