An Act to Provide Excess General Fund Revenue to the School Revolving Renovation Fund and the Education Stabilization Fund

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

Presented by Senator PIERCE of Cumberland.
Cosponsored by Representative MILLETT of Cape Elizabeth and
Senators: INGWERSEN of York, LIBBY of Cumberland, Representatives: BRENANAN of Portland, CROCKETT of Portland, GATTINE of Westbrook, KUHN of Falmouth.
Be it enacted by the People of the State of Maine as follows:

Sec. 1. 5 MRSA §1536, sub-$1, as amended by PL 2021, c. 398, Pt. ZZZ, §§2 and 3, is further amended to read:

1. **Final priority reserves.** After the transfers to the State Contingent Account pursuant to section 1507, the transfers to the Loan Insurance Reserve pursuant to section 1511, the transfers pursuant to section 1522, a transfer of $2,500,000 for the Reserve for General Fund Operating Capital and the transfers to the Retiree Health Insurance Internal Service Fund pursuant to section 1519, the State Controller shall transfer at the close of each fiscal year from the unappropriated surplus of the General Fund an amount equal to the amount available from the unappropriated surplus after all required deductions of appropriations, budgeted financial commitments and adjustments considered necessary by the State Controller have been made as follows:

   A. 80% to the stabilization fund; and

   G. Twenty percent to the Highway and Bridge Capital program, Other Special Revenue Funds account;

   H. Twenty percent to the School Revolving Renovation Fund established in Title 30-A, section 6006-F; and

   I. Twenty percent to the Education Stabilization Fund established in Title 20-A, section 15698.

**SUMMARY**

This bill amends the so-called cascade, which describes how any General Fund unappropriated surplus at the close of a fiscal year is to be distributed. This bill reduces from 80% to 40% the amount distributed to the Maine Budget Stabilization Fund, also known as the Rainy Day Fund, and distributes 20% to the School Revolving Renovation Fund and 20% to the Education Stabilization Fund.