



131st MAINE LEGISLATURE

LD 1402

LR 724(02)

An Act to Provide an Additional Allocation in the School Funding Formula to Cover Tax-exempt Property or a Large Economically Disadvantaged Student Population

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Education and Cultural Affairs

Fiscal Note Required: Yes

Fiscal Note

Directs spending of unencumbered balances - General Purpose Aid for Local Schools (GPA)
Potential increase in funding - School Revolving Renovation Fund

Fiscal Detail and Notes

Unobligated balances in the GPA program within the Department of Education at the end of each fiscal year are carried forward into the next fiscal year and expended only if authorized by the Governor through a financial order or approved by the Legislature through a budget or other legislative document. In past fiscal years these funds have been used to cover funding shortfalls in such areas as National Board Certification Salary supplements, state agency clients, data management and other targeted education costs. In fiscal year 2022-23 a financial order was approved to cover a \$10,000,000 shortfall in the free school breakfast and lunch program enacted in Public Law 2021, chapter 635. The Legislature also authorized \$40,000,000 to lapse to the unappropriated surplus of the General Fund at the end of fiscal year 2022-23 in Public Law 2023, chapter 412, Part FFFFF (the 2024-2025 biennial budget) to support the costs of other initiatives in the budget. In this fiscal year a financial order has been approved for \$7,530,891 to cover subsidy obligations, hardship payments and increased costs at the Maine Educational Center for the Deaf and Hard of Hearing and the Governor Baxter School for the Deaf. Additionally, a financial order for \$8,000,000 to cover a shortfall in the Child Development System is currently awaiting approval.

Requiring that at least 60% of the unobligated balances in the GPA program account that have been carried forward from the previous fiscal year be transferred to the Maine Municipal Bond Bank for the School Revolving Renovation Fund (SRRF) on or before October 1st of each year will increase funding to the SRRF and reduce funding available to cover various unanticipated shortfalls and other expenditures in the future. This may result in additional General Fund appropriations being required or a curtailment of spending in affected programs.

Additional costs to the Department of Education to consult with the Maine Education Policy Research Institute and its steering committee on initial development of an annual demographic profile report on public schools and public school students in the State can be absorbed within existing budgeted resources.