

**April 29, 2025**

**TESTIMONY In Support of LD 1103**

**An Act Regarding Unallocated Balances in a School Administrative Unit School Budget**

Greetings Senator Rafferty and distinguished members of the Education and Cultural Affairs Committee. I am James Charette, Superintendent of RSU #38 serving the communities of Manchester, Mount Vernon, Readfield, and Wayne, and would like to testify in Support of LD 1103. I support this bill for the following reasons:

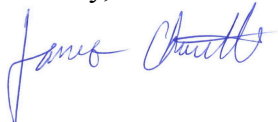
This legislation takes a prudent approach to school budget management by permanently adopting the temporary provision that has been in place since fiscal year 2021-22. By allowing school boards to maintain unallocated balances of up to 9% (rather than reverting to the previous 5% threshold), this bill provides several important benefits:

1. **Enhanced Financial Stability:** The higher threshold gives school districts greater flexibility to manage their finances through economic fluctuations and unexpected expenses.
2. **Improved Long-term Planning:** School administrators can better plan for multi-year initiatives and capital improvements with the security of slightly larger reserve funds.
3. **Local Control:** The bill maintains school boards' authority to carry forward and disburse these funds over a period not exceeding three years, preserving local decision-making.
4. **Fiscal Responsibility:** The legislation strikes a reasonable balance between maintaining adequate reserves and ensuring that excess funds still reduce state and local allocation shares when appropriate.

The temporary increase to 9% has proven beneficial during the challenging fiscal circumstances of recent years. Making this provision permanent represents sound fiscal policy that will help Maine's schools maintain stability while responsibly managing taxpayer resources.

I urge the Committee on Education and Cultural Affairs to support LD 1103 and move it forward for passage. Thank you.

Sincerely,



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