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LD 1103

Chairs Rafferty and Murphy, members of education committee, thank you for accepting this testimony neither for nor against LD 1103 - An Act Regarding Unallocated Balances in a School Administrative Unit School Budget.

There has been discord between RSU #22 and its constituent municipalities (Hampden, Newburgh, Winterport, Frankfort) over its unallocated balances and I believe some clarifying language in the statute could better guide the reimbursement of local shares of allocations.

I believe the intent of the language: "School boards may carry forward unallocated balances in excess of 9% of the previous fiscal year's school budget and disburse these funds in the next year or over a period not to exceed 3 years" is that the reimbursement to the local shares may take place in the following fiscal year but no later than the next three fiscal years. But because the fund balance remains in the same account, the excess funds planned for disbursement can be 're-counted' in the following fiscal years. It also allows for aggregating large unallocated balances that are then drawn upon for various reserve funds

May I suggest either:

- At the end of each fiscal year, unallocated balances in excess of 9% of the previous fiscal year's school budget -must- be placed in a dedicated account for state and local allocation offset; or
- Amend the statute to mandate -reimbursement- of excess funds directly to the state and local parties.

The statute as currently written, in my opinion, is too broad and vague and without an enforcement mechanism. The statute should be amended so as to mandate specific financial disbursements or reimbursement by the School Administrative Unit. Thank you for your time and attention to this matter.