

Regional School Unit 22
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Testimony in Opposition of LD 1518:
An Act to Clarify the Amount and use of Unallocated Balances in a School Administrative Unit Budget

Senator Rafferty, Representative Murphy, and distinguished members of the Joint Standing Committee on Education and Cultural Affairs. My name is Nick Raymond, and I am the Superintendent of Schools in RSU 22, which represents the towns of Hampden, Newburgh, Winterport, and Frankfort. These four towns are located in Penobscot and Waldo Counties respectively. Today I am providing testimony in opposition of LD 1518 - *An Act to Clarify the Amount and use of Unallocated Balances in a School Administrative Unit Budget*.

Per Title 20-A MRSA § 15689-B(6), and beginning with the school year 2025-2026, school boards may carry forward unallocated balances in excess of 5% of the previous year's school budget and disburse these funds in the next year or over a period not to exceed 3 years. LD 1518 is being proposed to require school administrative units to spend what is in excess of 5% "to fund educational programs." While many superintendents are not in favor of shifting the percentage allowed from the current 9% to the 5% that is written in this language, there is also concern about limiting the spending "to fund educational programs."

A concern of mine is how does one define "educational programs"? When I think of educational programs, I envision structured learning via a certain curriculum, such as, but not limited to a new textbook series for a high school mathematics class, a reading program for elementary students, or a hands-on learning program for special education students. They all meet certain standards with learning targets that address specific needs or goals for students. They often have activities that are linked together and build upon one another. What I do not see defined as educational programs are examples such as major capital projects, playground equipment, or expensive athletic facility repairs, to name a few. These are all things that many districts often use unallocated funds for. Therefore, this bill drastically limits what school districts may utilize unallocated funds for, negatively impacting the budget process and what local taxpayers will be required to pay.

In addition, utilizing unallocated funds for recurring expenses is not fiscally responsible, as it results in a yo-yo effect for taxpayers. This would require them to pay less some years and drastically increase in other years. Let's take an elementary math program as an example; one that would clearly be defined as an "educational program". Assume this mathematics program provides students with their very own workbook, which many do, and a district needs to purchase these workbooks on an annual basis for their students. While the district will absolutely save the taxpayers money in their first year purchasing the books by utilizing

unallocated funds, beginning with the following year, those unallocated funds are potentially gone now, but yet the school district still needs to purchase the booklets. Therefore, this recurring expense now lives within the general budget and there is a drastic increase to the district budget. As an opposite idea, utilizing unallocated funds for the resurfacing of an outdoor track makes more practical sense than purchasing the mathematics booklets because the track will not need to be resurfaced again for many years, thus not being a recurring expense to the district like the student workbooks. The recurring expenses should begin and remain in the general budget. Otherwise, district citizens should expect significant ups and downs in their required local contribution to schools each year. This is something that superintendents are very cognizant about, hoping not to create for their towns. There is a desire to have more consistency in the local contribution rather than drastic fluctuations.

Unfortunately, with how LD 1518 is being proposed, RSU 22 would not have been able to designate unallocated funds for the purpose of paying off the balance of two State of Maine Department of Education School Revolving Renovation fund projects. We would not be able to purchase playground equipment for our elementary schools using these funds, nor could we have refurbished our outdoor track to be safer for participants, purchase a safety communication platform for all of our school buildings, or remodel our administrative office space because they are not considered "educational programs." All of these expenses would come from our general school budget. As a result, our district would be raising the local contribution we are asking for from our towns, resulting in raising citizen taxes more than what we have done in the past.

For these reasons, I urge the Committee to please consider voting "Ought Not to Pass" LD 1518.

Thank you very much for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Nick Raymond", followed by a long horizontal flourish line extending to the right.

Nick Raymond
Superintendent of Schools