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LD 1103

Dear Committee Members,

While I have submitted a bill and testimony for LD 1518, I feel it is necessary to address the part of the bill that deals with percentages that school boards can hold back of the unallocated balances to be spent in the next 1-3 years.

In my bill, LD 1518, I recommend 5%. This bill, LD 1103 allows for maintaining the 9% amount. As I described in my earlier testimony, smaller units like RSU 38 only need 5%, because they always seem to carry much more than that in cash flow in general because they do receive monthly income from State and Local sources for the General Fund.

While you heard that larger districts feel the need to have more funds, I was surprised to learn that they are using the excess for major capital improvements and in one case, paydown of debt related to major prior capital improvements. In some cases Units are putting funds into reserve accounts to be spent in the future, thereby eventually holding more than 9%. This is not what the townspeople gave their funds for....the funds were suppose to be used for the General Fund needs.

In addition, I found that my RSU was not investing these funds, other than a meager \$200,000 out of 2 million being invested in a local bank cd with less than a percent return. School should not be holding extra funds for investment purposes. That is not their purpose. Especially when our students are not getting the help they need to succeed.

I hope you realize that schools by and large can get additional dollars from the public and the law has a process for that to openly discuss, debate and decide if additional funds are needed. To allow Superintendents and School Board to simply do as they please with the excess dollars, when they please, is not meeting the needs of the towns or the students.

If you vote to keep the 9%, then please revisit this in three or four years, and make the districts show you the improvement in student test scores and the percent increase in administrative costs versus instructional costs.