



Joseph E. Rafferty
Senator, District 34

THE MAINE SENATE
132nd Legislature

3 State House Station
Augusta, Maine 04333

Testimony of Senator Joe Rafferty

**In Support of LD 1103, "An Act Regarding Unallocated Balances in a School
Administrative Unit School Budget,"**

Before the Joint Standing Committee on Education and Cultural Affairs

April 29th, 2025

Representative Murphy, and colleagues of the Education & Cultural Affairs Committee:

As you know, I am Senator Joe Rafferty, and I represent Senate District 34 which includes the communities of Berwick, North Berwick, Wells, Kennebunk, and Kennebunkport. This afternoon, I appreciate the opportunity to present LD 1103, "An Act Regarding Unallocated Balances in a School Administrative Unit School Budget."

LD 1103 allows for the continuation of a common sense practice that school districts can save money, limit property tax increases, preserve programming, and provide a more consistent budget picture year to year. SAUs are allowed to carry over unallocated funds from one year to the next.

In 2019, Maine passed a law increasing the amount allowed for carry over to 9% to help districts cope with the unpredictability of the COVID-19 pandemic. Unfortunately, it is set to drop back to the original 5% this June. Districts feel that the 5% is inadequate as 5% wouldn't cover a month of payroll.

SAUs are experiencing rising costs across all fronts including Special Education, threats to federal funding, as well as energy volatility to mention a few.

An unallocated fund balance saves taxpayers money and can help preserve programming. When a school district faces a challenging budget situation, they have limited options: cutting expenses often means layoffs or raising local property taxes. Both are options our constituents object to.

Some districts have set unallocated funds aside and allowed it to build up to pay for a capital improvement project such as roof repair or similar projects.

Please remember that school budgets must still be approved by taxpayers including any money that is used from an unallocated fund balance. Local taxpayers still have full control over how

this money is spent. This legislation allows districts, if they choose, to have a bit more of a financial cushion to protect taxpayers from financial volatility.

I urge you to support LD 1103, and I thank you for your time. I will answer questions to the best of my ability.