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HOUSE OF REPRESENTATIVES

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Testimony of Rep. Sharon Frost introducing LD 1518, An Act to Clarify the Amount and Use of Unallocated Balances in a School Administrative Unit Budget

Before the Education and Cultural Affairs Committee

Good afternoon, Senator Rafferty, Representative Murphy and esteemed colleagues of the Education and Cultural Affairs Committee. My name is Sharon Frost, and I have the distinct honor of representing House District 58 and the communities of Belgrade, Fayette, Mount Vernon, New Sharon, Rome and Vienna. I am before you today to introduce LD 1518, An Act to Clarify the Amount and Use of Unallocated Balances in a School Administrative Unit Budget.

This bill amends the laws governing unexpended balances and unallocated general operating fund balances of school administrative units in the following ways:

- 1. It changes the current requirement that the unexpended balance of all money raised by a school administrative unit received for school purposes be carried forward and credited to the unit for educational programs in the ensuing year to instead require that the unexpended balance be carried forward and spent by the unit in the ensuing year.
- 2. It changes the current requirement that unallocated general operating fund balances in excess of 5% of the previous fiscal year's school budget be used to reduce the state and local share of the total allocation for the purpose of computing state subsidy **to instead** require that the unallocated balances in excess of 5% be used to fund educational programs. It authorizes school boards to carry forward unallocated balances in excess of 5% of the previous year's school budget and spend those funds for educational programs in the next year or over a period not to exceed 3 years.
- 3. It strikes language that applies only to fiscal years 21-22, 22-23, 23-24 and 24-25.

I introduced this bill at the request of my constituent, John Harker, who will follow after me and can speak in greater detail to the needs of this bill. Prior to submitting this bill, we spent a considerable amount of time trying to get clarity from different entities and ultimately were unable to address John's concerns.

Thank you all for your time and consideration.