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TESTIMONY IN SUPPORT OF

L.D. 1198

AN ACT AUTHORIZING AN INCREASE TO THE MAXIMUM ANNUAL FUND BALANCE FOR PUBLIC SCHOOL DISTRICTS

Senator Rafferty, Representative Brennan and members of the Education and Cultural Affairs Committee. I am Eileen King, deputy executive director of Maine School Management Association, testifying on behalf of the legislative committees of the Maine School Boards Association and Maine School Superintendents Association in support of L.D. 1198.

School Boards and superintendents support this bill because we believe it makes us better stewards of taxpayer money.

The percent carry-forward was last expanded in 2009 when there was supplemental American Recovery and Reinvestment Act funds for schools due to the impact of the recession on the economy.

At that time the 3 percent carry-forward cap was eliminated for the fiscal years 2008-2009 to 2014-2015.

It is still unclear what the long-term impact of the pandemic will have on state funding, but it appears wise to increase fund balances at the local level as Maine receives its share of the \$122 billion in American Rescue Plan Elementary and Secondary School Emergency Relief Fund. That share is estimated at just over \$400 million.

Federal guidance calls for using the funding to keep schools open, and to address the disruptions to teaching and learning resulting from the pandemic.

We believe increasing the local fund balance limit will help us use the money wisely and is in the best interest of students.