



Massachusetts Department of Elementary and Secondary Education

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REGIONAL SCHOOL DISTRICT BUDGET PROCESS

Preparing the Regional Budget

The regional school committee shall propose, by a *majority vote*, a budget containing all proposed operating expenditures, capital expenditures, and debt service payments to be paid from general revenues of the regional school district.

The budget shall be classified into such line items as the regional school committee shall determine, provided that such line items shall be consistent with but need not be to the same level of detail as the chart of accounts required for the end of year reporting of expenditures. <http://finance1.doe.mass.edu/account/ChartOfAccounts.doc>. The regional school committee may include a line item in the budget for a reserve for extraordinary and unanticipated expenditures.

The budget shall identify each separate revenue source, and the amount estimated for each revenue source. Grant, revolving and trust funds should not be included in the budget, but should be provided to the member municipalities for informational purposes.

The budget shall specify whether members' assessments are calculated pursuant to the statutory assessment method or the alternative/agreement assessment method; and shall specify the total amounts to be assessed to the members for the support of the budget.

Public Hearing on Budget

The school committee of each city, town or regional school district shall hold a public hearing on its proposed annual budget not less than *seven days* after publication of a notice thereof in a newspaper having general circulation in such city, town or district. Prior to such public hearing said committee shall make available to the public at least one copy of said proposed budget for a time period of *not less than forty-eight hours* either at the office of the superintendent of schools or at a place so designated by said committee. At the time and place so advertised or at any time or place to which such hearing may from time to time be adjourned all interested persons shall be given an opportunity to be heard for or against the whole or any part of the proposed budget. Such hearing shall be conducted by a quorum of the school committee. For the purposes of this section a quorum shall consist of a majority of the members of said school committee. <http://www.mass.gov/legis/laws/mgl/71-38n.htm>.

Adopting the Budget

The regional district school committee, by a *two-thirds vote*, shall adopt a budget containing all proposed operating expenditures, capital expenditures and debt service payments to be paid from general revenues of the regional school district.

Timing of the Budget

The School Committee must adopt a budget 45 days before the first annual member town meeting but *not later than March 31 and not earlier than February 1*. With the approval of the majority of the member communities, the superintendent may submit the budget following the notification of the annual local aid distribution.

Calculating Member Assessments

The amounts so apportioned for each municipality shall be certified by the regional school district treasurer to the treasurers of the member municipalities *within thirty days* from the date on which the annual budget is adopted by the regional district school committee but *not later than April thirtieth*.

Two methodologies are available to regional school districts for calculating assessments to member municipalities. The methodologies are defined in CMR 41.01 and in Guidance for Regional School Districts: http://finance1.doe.mass.edu/regional/reg_guidance.doc

Statutory Assessment methodology

Alternative (Agreement) Assessment methodology

Approval of Local Appropriating Authorities

The annual regional school district budget shall require the approval of *two-thirds* of the local appropriating authorities of the member municipalities.

If the alternative/agreement method is used to calculate the member town assessments, the *unanimous* approval of all the members is required. The approval may be given by a separate vote of the appropriating authority, or if a separate vote is not taken, unanimous approval of a budget or assessment based on the alternative/agreement method shall be deemed approval of the method.

A vote by the local appropriating authority to appropriate the member's assessment shall constitute approval of the regional school district budget.

Failure to Approve a Budget

In the event that the regional school district budget is not approved by at least *two-thirds* of the member municipalities, the regional district school committee shall have *thirty days* to reconsider, amend and resubmit a budget.

With the approval of the Commissioner, a regional district school committee may have *an additional fifteen days* within which to reconsider, amend and reappportion the budget.

The budget shall be reappportioned between or among the member municipalities and a copy of the amended budget shall be provided to the chairmen of the board of selectmen, chairmen of the

finance committees, mayors, presidents of the city councils and treasurers of the member municipalities *not later than seven days* from the date the amended budget was adopted by the school committee.

Approval of Reconsidered Budget by Local Appropriating Authorities

Prior to the *expiration of forty-five days* from the date on which such budget was adopted by the regional district school committee, each member municipality shall hold a meeting of the local appropriating authority to act upon the appropriation of the budget.

If *two-thirds* of the member municipalities vote to appropriate the amounts so reapportioned and recertified to them under the *statutory method*, such budget shall be considered *approved*.

If the member municipalities *unanimously* vote to appropriate the amounts so reapportioned and recertified to them under the *agreement/alternative* method, such budget shall be considered *approved*.

If a local appropriating authority *does not vote* on the revised budget within the 45-day period that member shall be *deemed to have approved* the revised budget.

Where the local appropriating authority is a town meeting and the annual town meeting is dissolved prior to voting on the budget, the budget shall be deemed *disapproved* by that member as of the date of such dissolution.

In a district having three or more members, if two-thirds of the member municipalities *do not vote* to appropriate the amounts so reapportioned and recertified to them, then the budget shall again be recommitted to the regional district school committee for action

District Wide Meetings

In the case of a *two-member regional school district*, if the appropriating authority of *either* member votes not to appropriate the amount so reapportioned and recertified to it, the regional district school committee shall convene a district-wide meeting at which the revised budget and assessments shall be placed before all voters eligible to vote. A district-wide meeting shall only consider budgets based on the statutory assessment method.

Notice of the meeting must be given at least *fourteen days* prior to the date of such meeting.

Approval of the regional school district budget shall require the affirmative vote of at least a *majority of those present and voting* thereon, by a counted vote.

If a majority of voters at this meeting votes to approve a greater or lesser amount for the budget, such amount shall be placed before the regional school committee for its ratification. If the regional school committee by a *two-thirds* vote ratifies this amount, it shall constitute approval. If the regional school committee rejects such greater or lesser amount, it shall again reconsider, amend, and adopt a revised budget and shall reconvene a district-wide meeting.

1/12 budget Approved by the Commissioner

If the operating budget for a regional school district has not been approved by *July 1*, the superintendent of schools shall notify the Commissioner.

The Commissioner shall establish an interim monthly budget for the regional school district and certify an amount sufficient for the operation of the district which shall be *one-twelfth* of the regional school district's budget for the prior fiscal year *or such higher amount* as the Commissioner may determine.

The treasurer of the regional school district shall calculate and certify to the member municipalities their respective assessments.

The interim monthly budget shall remain in effect until an operating budget is approved pursuant to 603 CMR 41.05(3) or *December first*, whichever comes earlier.

State Fiscal Control

In the event a budget is not adopted by *December first* in any year, the Commissioner shall assume fiscal control of the regional school district and shall establish the final budget for the fiscal year. Budget materials and recommendations from the district and member municipalities will be solicited prior to the December deadline.

The Commissioner's control continues until the end of the fiscal year or until the member municipalities have approved a budget for the subsequent fiscal year, whichever is later.

Certain fiscal actions taken by the superintendent or school committee are subject to Commissioner's written authorization.

- Adoption or reconsideration of the district budget
- Transfer of budgetary authority between line items
- Encumbrance or expenditure of funds not included in the general fund budget.
- Borrowing
- Execution of new or amended collective bargaining agreements.
- Execution of new contracts or amendments to existing contracts with a value of \$25,000 or more.
- Establishment, increase, or decrease of user fees
- The Commissioner may impound any unencumbered funds for such period of time as he determines
- The Commissioner may undertake any initiatives that he deems necessary to secure the financial stability of the district
- The Commissioner may designate a person to act on his behalf with respect to his responsibilities under 603 CMR 41.07.

Amendments to Budgets

A regional school committee may propose, with a *two-thirds vote*, an amendment to a previously approved budget. If such amendment results in an *increase* in the total amount of the *budget* or an increase in *assessment* for any member, such amendment shall be submitted to the *local*

appropriating authorities for their approval.

The treasurer of the regional school district shall submit the proposed amendment to the member municipalities within *7 days* from the date of the regional school committee vote. The local appropriating authority of every member shall have *45 days* from the date of the regional school committee's vote to meet and consider the amendment. The proposed amendment shall be effective if it is approved by *two-thirds of the local appropriating authorities and by the local appropriating authority of any member whose assessment is increased.*

If a local appropriating authority *does not vote* on the proposed amendment within the *45-day period* and that local appropriating authority has previously appropriated funds for its assessment in an amount greater than or equal to the member's assessment for the amended budget, that member shall be deemed to have approved the amended budget.

If a proposed amendment to a previously approved budget *does not increase* the total amount of the budget and *reduces or leaves unchanged* the assessment for every member, the amendment shall not require approval by the local appropriating authorities and shall be effective upon a *two-thirds vote of the regional school committee.*

If the Commissioner adjusts the required local contribution of any member (s) subsequent to the approval of the budget, the regional school committee shall propose an amendment to the budget to reflect such adjustment(s). Whenever a member's assessment is reduced to a smaller amount than previously appropriated by the local appropriating authority, the appropriation shall automatically be deemed to be reduced to such lesser amount.

Line Item Transfers

Transfers from one budget line item to another shall require and be effective upon approval of the regional school committee by majority vote unless otherwise specified in the regional agreement. Authority for such transfers may not be delegated.

Links: Chapter 70, Section 16B - <http://www.mass.gov/legis/laws/mgl/71-16b.htm>.
CMR 41.05 - <http://www.doe.mass.edu/lawsregs/603cmr41.html?section=05>
Assessment methodologies – see Guidance for Regional School Districts
http://finance1.doe.mass.edu/regional/reg_guidance.doc.
Public Hearings on budget: <http://www.mass.gov/legis/laws/mgl/71-38n.htm>.