

**PROPOSED AMENDMENTS TO SCHOOL FINANCE AND
ACCOUNTABILITY REGULATIONS
603 CMR 10.00**

- Presented to the Board of Elementary and Secondary Education for initial review and vote to solicit public comment: **April 23, 2013**
- Period of public comment: **through May 31, 2013**
- Final action by the Board of Elementary and Secondary Education anticipated: **June 25, 2013**

Proposed amendments are indicated by underline (new language) or ~~striketrough~~ (deleted language). Unchanged sections of the regulations are omitted. For the complete text of the current School Finance and Accountability Regulations, 603 CMR 10.00, see <http://www.doe.mass.edu/lawsregs/603cmr10.html>.

603 CMR 10.00: School Finance and Accountability

- 10.01: Authority, Scope and Purpose
- 10.02: Definitions
- 10.03: Accounting and Reporting: School Districts
- 10.04: Financial Accounting and Reporting: Other Municipal Departments
- 10.05: Documentation Requirements
- 10.06: Annual School Spending Requirements
- 10.07: Special Education Payments and Reimbursements
- 10.08: Transportation Reimbursement, Resident Students
- 10.09: Transportation Reimbursement, School Choice, Homeless and Charter School Students
- 10.10: Audit Procedures

.....

10.02: Definitions

....

Homeless Student shall mean a student who is homeless as defined by the McKinney-Vento Homeless Assistance Act's, definition of "homeless children and youth," 42 USC 11434(a)(2).

Homeless Student Transportation shall mean transportation of a homeless student to and from the student's school of origin that is located outside of the boundaries of the school district in which the homeless student temporarily resides For purposes of homeless student transportation, school of origin shall mean the school where the

homeless student was last enrolled or the school attended when the student was permanently housed.

....

10.03: Accounting and Reporting: School Districts

....

(2) Program Data. Districts shall maintain enrollment, membership, and personnel data, in accordance with the program classification descriptions and reporting criteria set forth in guidelines published by the Department, for each of the following programs operated by the district:

- Regular education (pre-school - 12)
- Special education (preschool - 12 and ungraded)
- English Language Learners
- Career/Vocational Technical education (secondary and post-secondary)
- Adult/continuing education
- Mc Kinney-Vento Homeless Assistance Act
- Other programs

When reporting program data to the Department, school districts shall apportion instructional personnel time in accordance with Department guidelines.

....

10.04: Financial Accounting and Reporting: Other Municipal Departments

(1) The following expenditures from local revenues by a municipal department other than the school department which result in services to or on behalf of the school district, shall be reported to the Department on or before September 30 of each year in accordance with the expenditure categories and cost allocation methods set forth in guidelines published by the Department. The cost of insurance and retirement benefits for non-school district employees shall not be included or reported.

(a) Administrative Services. The cost of municipal accounting, auditing, central data processing, central purchasing, employee benefits administration, financial services ~~for~~ provided to the school department.

(b) Educational Media and Library Services, Exclusive of Capital Outlay. The activities of librarians and catalogers, and the costs associated with cataloguing books, pamphlets, periodicals and other materials for use by school district students where there is an agreement between the school district and the library board for specific services to be provided to students.

(c) Health Services. The salaries of health personnel who provide direct services or instruction to public school students or school department employees pursuant to an agreement between the school district and the municipality for the provision of these services and related costs for supplies, materials and other direct expenditures in support of services covered by the agreement; the salaries of public safety officers, on an hourly basis, who provide direct classroom instruction on alcohol and substance abuse and violence prevention to public school students pursuant to an agreement between the school district and the municipality for the provision of these services; the salaries of health personnel who provide direct services which state law requires be provided to non-public students or non-public school employees and who make regularly scheduled visits to non-public schools for this purpose and related costs for supplies, materials and other direct expenditures in support of these and other services provided in accordance with M.G.L. c. 71, § 57.

(d) School Security Services. Salaries and other expenses of security staff or school police who are scheduled solely on school grounds where there is an agreement between the school committee and the municipality for specific services to be provided.

(e) Student Transportation Services. All costs incurred as a result of programs transporting public school students once daily to and from school, and the costs incurred in transporting non-public school students once daily to and from school to the extent required by M.G.L. c. 76 § 1.

(f) Operation and Maintenance of School Facilities. The direct costs of salaries, supplies, materials and contractual expenses for the ordinary and extraordinary maintenance of school buildings, grounds and equipment. School maintenance expenditures shall be reported for services performed within a school building or on school grounds, and shall include other property used by the public schools only where there is an agreement between the municipality and the school district concerning the use and maintenance of that property. Overhead costs for non-school buildings shall not be included or reported.

(g) Employee Benefits. The actual costs of pensions paid to school department retirees or the actual costs of assessments paid to state, county or municipal retirement systems on account of school department employees or retirees, including any special assessments for early retirement incentive programs for school department employees; the direct insurance premiums for active and retired school district employees, after deducting all employee contributions; contributions to self-insurance trust funds from the municipality's general fund; and the indirect costs of administering employee benefit programs.

(h) Non-Employee Insurance. The direct insurance premiums for school buildings, grounds, equipment and liability coverage, contributions to non-employee self-insurance trust funds from the municipality's general fund, and the indirect costs of administering school facilities and liability insurance programs.

(i) Rental/Lease of School Buildings and Non-Instructional Equipment. Expenditures for the lease or rental, at the request of the school district, of buildings and non-instructional equipment for the public schools, not including

any capital lease which provides for the municipality's acquisition of the leased building or equipment at the conclusion of the lease term.

(j) Interest on Borrowing for School District Purposes. Actual interest paid in borrowing for Revenue Anticipation Notes to support current year school district operations, interest on bonds and loans used to finance the purchase or construction of schools, textbooks, instructional equipment and technology, non-instructional equipment, and school building maintenance.

(k) Other Recurrent School-Related Expenditures. Other items of a recurrent nature for school purposes such as the salaries of crossing guards and the costs of public safety inspections.

(l) Acquisition, Improvement and Replacement of School Sites, Buildings, Equipment and Student Transportation Vehicles. Such costs shall be limited to funds expended for school capital construction and major reconstruction projects, maintenance projects which exceed the cost limit for extraordinary maintenance, the actual cost of student transportation vehicles, amortized in accordance with guidelines published by the Department, and other specific appropriated items, including school building planning costs and lease/purchases of buildings or non-instructional equipment, that are intended to acquire a new asset for the school district.

(m) Programs with Other Public and Private Schools and Educational Collaboratives. The tuition or assessment paid for instructional programs provided by other school districts or private schools to students resident in the municipality who attend those schools by agreement of the district school committee or as a result of placement by a state agency.

....

10.05: Documentation Requirements.

....

(14) Each school district shall maintain records identifying the homeless students within their school district. Such records shall include the cost of transporting said students to and from their school of origin.

....

10.09: Transportation Reimbursement, School Choice, Homeless and Charter School Students

....

(6) Reimbursement for the costs of school choice and charter school transportation provided by school districts shall be deposited by the municipal or regional treasurer in a

separate account, and may be expended by the school committee without further appropriation.

(7) Subject to appropriation, any school district that provides homeless student transportation, or shares the cost of providing homeless student transportation, to enable a homeless student to attend school in a school district other than the district where the student temporarily resides, may receive reimbursement of homeless student transportation costs. To qualify for reimbursement school districts shall provide transportation that complies with all relevant state laws and regulations concerning safety.

(8) Homeless student transportation reimbursement is limited to reimbursement of the costs of transporting the eligible student(s) to and from school once a day for each day of instruction, as follows:

(a) In the case of transportation provided by a school or school district, reimbursement will be the cost of transporting homeless students to the school of origin.

(b) In the case of transportation provided by a public carrier or regional transportation authority, reimbursement will be the actual fare paid.

(c) In the case of transportation provided by a parent, reimbursement will be provided at the rate set by the State Director of Special Education.

(d) In the case of transportation purchased from a properly licensed private carrier, reimbursement will be the amount charged by the private carrier.

(9) School districts and municipalities shall submit all homeless transportation reimbursement claims to the Department within the timeframe established by the Department. The Department may deny any claim that is filed after the filing deadline or that does not contain the required information.

~~(6)~~ (10) The Department may request information to support a district's school choice, homeless and charter school transportation reimbursement claim prior to accepting the claim for payment, and may audit any claims.

....