This Bulletin discusses three special provisions regarding regional school district budgets in Chapter 26 §3 of the Acts of 2003, the FY04 state budget. Section 3 contains the Chapter 70 distributions for cities, towns and regional school districts (RSD), as well as Additional Assistance and Lottery distributions for cities and towns. The provisions discussed below are contained in the final paragraph of the preface to the table of distributions.

As you know, House 1 filed by the Governor in February called for distribution of all Chapter 70 aid to cities and towns, and none to RSDs. The enacted budget follows the pattern of prior years, and provides distributions to the RSDs. Assessments to member cities and towns by the RSDs for FY04 made on the basis of House 1 therefore are greater than needed based on the enacted budget; consequently, appropriations by the cities and towns for the RSD assessment are greater than needed based on the enacted budget.

A. Spending authority if no RSD budget was approved

First, the section provides temporary FY04 spending authority in RSDs that do not yet have a legally approved budget. This spending authority is limited to one-twelfth of the district’s prior year budget, on a month-to-month basis, for a period not to exceed two months.
B. Revised RSD assessments, if necessary

The second provision requires RSDs that based their assessments on the Chapter 70 amounts contained in House 1 to recalculate previous approved assessments based on the Chapter 70 amounts contained in the enacted FY04 state budget. These regions must recalculate and certify revised assessments to their member towns within 15 days of the July 1st effective date of the state budget. The purpose of the recalculation is to adjust the assessments for Chapter 70 amounts that will be paid directly to the region rather than the member towns as proposed by the Governor. The final FY04 minimum contributions should also be used in the recalculation and are available on the Department of Education's web site:
http://finance1.doe.mass.edu/schfin/Chapter70/final_req04.aspx

C. Approval or rejection of RSD budget by member cities and towns

Once the revised assessments are transmitted to the member towns, a member town may convene a special town meeting within 45 days from the July 1st effective date of the state budget to disapprove the revised assessment. The member town may choose to approve the revised assessment, without the need to convene a special town meeting, by allowing the 45 day period to expire. If more than one-third of the member towns express disapproval of the revised assessments by town meeting vote, then the regional school budget is disapproved and returned to the regional school committee as described in the sixth paragraph of General Laws Chapter 71 §16B. If the revised assessments are approved by two-thirds of the member towns, then the recertified amount shall be considered an amendment to the amount originally appropriated at annual town meeting without the need for further action by the town. A city which is a member of a RSD would act through city council based on a filing from the mayor or manager where the terms "town" or "town meeting" are used in this paragraph. Actions required by RSD treasurers, and city and town assessors and clerks are set forth in the ninth paragraph of the section. Any revised assessment should of course be used in the submission of the tax rate recapitulation for FY04.

The Bureau of Accounts field representative assigned to your city or town can provide assistance if needed.