



Massachusetts Department of Revenue Division of Local Services
Frederick A. Laskey, Commissioner Joseph J. Chessey, Jr., Deputy Commissioner

Bridgewater-Raynham Regional School District Review Executive Order 393

*Education Management Accountability Board Report
December 2000*

TABLE OF CONTENTS

I. INTRODUCTION	1
II. EXECUTIVE SUMMARY.....	1
III. GENERAL CONDITIONS AND FINDINGS	6
1. <i>OVERVIEW.....</i>	6
2. <i>DISTRICT MANAGEMENT.....</i>	7
3. <i>REGIONAL SCHOOL DISTRICT AGREEMENT.....</i>	9
4. <i>ENROLLMENT</i>	12
5. <i>SCHOOL BUDGET REVIEW PROCESS.....</i>	14
6. <i>TOTAL SCHOOL DISTRICT EXPENDITURES.....</i>	15
7. <i>MAINTENANCE AND CAPITAL IMPROVEMENT.....</i>	17
8. <i>COMPLIANCE WITH SPENDING REQUIREMENTS</i>	18
9. <i>ACCOUNTING AND REPORTING</i>	21
10. <i>REVIEW OF EXPENDITURES AND CASH CONTROLS.....</i>	22
VI. APPENDIX	23

I. Introduction

The Massachusetts Education Reform Act (MERA) of 1993 has three major goals: to increase student achievement; to achieve adequate funding for all local and regional school districts over a seven-year period; and to bring equity to local taxation efforts based on a community's ability to pay. In February 1997, the Governor issued Executive Order 393 to evaluate the education reform program that was nearing the end of its fourth year. In FY00, Massachusetts General Laws (M.G.L.) Ch. 70 state aid for education reached \$2.8 billion. With an investment of this magnitude in the Commonwealth's schools, it is critical to "review, investigate and report on the expenditures of funds by school districts, including regional school districts, consistent with the goals of improving student achievement." To that end, Executive Order 393 established the Education Management Accountability Board (EMAB).

The Secretary of Administration and Finance selected a team of auditors from the Department of Revenue's (DOR) Division of Local Services (DLS) to conduct the school district reviews. DOR's Director of Accounts is the chief investigator with authority to examine municipal and school department accounts and transactions pursuant to M.G.L. Ch. 44, §§45 and 46A. The reviews are conducted in consultation with the State Auditor and the Commissioner of Education (COE).

The Bridgewater-Raynham School District (BRRSD) review was done under the provisions of Executive Order 393. The audit team conducted the audit during the period of August 14-27, 2000.

The Executive Summary includes some of the more significant observations and findings of the review of BRRSD's operations. The report discusses all results, deficiencies and recommendations in greater detail in the "General Conditions and Findings" section.

II. Executive Summary

BRRSD seems to have proper operational controls in place and conducts its business effectively. The district has achieved good MCAS scores over the first two administrations of the test. Financially, the system appears sound. The current Superintendent is the second since the beginning of education reform in 1993, being appointed in December 1998. The district adopted a Pre-K through Grade 12 system on July 1, 1994.

In FY99, BRRSD had a student population of 5,755 students and had \$34.2 million in total district expenditures. BRRSD exceeded total foundation budget for the first time in FY1998, but no key area spending target was met in any year of the three years reviewed. BRRSD's actual local contribution to net school spending increased by \$3.2 million between FY97 and FY00, about \$.6 million more than the increase in

the state's contribution. Per pupil spending for day programs increased by 13.2 percent during the three-year period of FY97 to FY99 as enrollment increased by 4.0 percent, slightly above the state average of 11.1 percent in total spending. During the same period, BRRSD per pupil spending for day programs increased slightly from 83.5 percent of the state average to 85.1 percent.

OVERVIEW [Section 1]

- According to DOE and based on FY99 foundation enrollment data, BRRSD is the 2nd largest K - 12 regional school district in the state.

DISTRICT MANAGEMENT [Section 2]

- The regional school committee is made up of eight elected members, who are voted in by both respective towns. Terms are for three years and are staggered so that not all members are up for re-election each year. The chairmanship of the committee typically might rotate back and forth between the two towns.
- Currently, the school committee has several sub-committees that meet as needed. The sub-committees include but are not limited to personnel which deal with collective bargaining, evaluations of school district personnel and lastly, a building needs committee which deals with capital needs and planning.
- The Superintendent of BRRSD is currently entering the third year of a five-year contract. The contract does make mention of how goal setting and the Superintendent's evaluation are related to salary.
- The Superintendent evaluates the principals, as well as all central office personnel including the assistant superintendent, district treasurer and business manager. These administrators are required to meet goals in line with the district's strategic goals. Pay raises are also based on performance and range between three and five percent.
- The Superintendent meets weekly with all central office personnel and is in constant communications with all principals. The weekly meetings are to discuss administrative issues and district events. School committee directives and initiatives are a topic of these meetings.
- BRRSD developed a strategic plan in October 1999. This plan details the region's seven guiding beliefs and five goals. This plan covers a timespan of 1999 through 2005. It was developed with input from administrators, teachers, students, the communities, the school committees, and the school councils. The plan's goals include improving student achievement and aligning the curriculum with the state curriculum frameworks.

- All principals are evaluated annually and upon receiving a good evaluation they are awarded the pay increase stipulated in their contract.
- In reviewing the principals on an annual basis, the superintendent determines if all goals have been met. These goals include those of the strategic plan plus 3 to 5 specific site goals.

Regional School District Agreement [Section 3]

- School Committee is composed of eight at-large members elected by voters of both communities, four from each of the two towns.
- All students in grade 9-12 will attend the district HS in Bridgewater.
- Pupils in grades Pre-K through grade eight shall attend schools in their own town except those in special needs or in specialized educational programs recommended by the superintendent or school committee.
- Each town leases the buildings, facilities and grounds, while the district purchases education materials and equipment. The current lease is for a twenty-year period beginning July 1, 1994.
- The district shall pay all expenses of maintaining and operating the buildings and keeping them in good repair.
- The towns must approve all capital improvements authorized by the district.
- Capital costs for the Regional High School are apportioned by pupil enrollment while each town shall be responsible for its respective elementary schools and middle schools.
- The procedures for admission of new towns and withdrawal from the regional district are covered by the agreement.

ENROLLMENT [Section 4]

- BRRSD enrollment increased from 5,386 in FY95 to 5,852 in FY00, or 8.7 percent.
- The Town of Bridgewater's foundation enrollment as calculated by DOE increased 14.2 percent from FY93 to FY99 categorizing it as above average in growth. The Town of Raynham's foundation enrollment as calculated by DOE increased 5.4 percent from FY93 to FY99 categorizing it as low growth.

SCHOOL BUDGET PROCESS [Section 5]

- The committee adopts an annual operating and maintenance budget for the ensuing fiscal year on or about March 20 and apportions the amounts necessary to be raised in order to meet the budget. The amounts apportioned to each member town are certified by the district treasurer to the treasurer of each member town within thirty days from the date on which the annual operating and maintenance budget is adopted by the committee, but no later than April 30.

TOTAL SCHOOL DISTRICT EXPENDITURES [Section 6]

- Total school district expenditures for FY99 are \$34.2 million, or 15.1 percent higher than in FY97.
- BRRSD per pupil spending, as a percentage of the state average, has increased minimally since FY97. In FY99, out of 328 districts reported by DOE, BRRSD per pupil spending for total day programs was 254th statewide.

MAINTENANCE AND CAPITAL IMPROVEMENT [Section 7]

- The audit team made site visits to all the regional schools and found them to be clean and well maintained.

COMPLIANCE WITH SPENDING REQUIREMENTS [Section 8]

- BRRSD did not exceed the foundation budget until FY99. Expenditures did not reach foundation budget for any of the key areas in any of the fiscal years FY97-FY99.

ACCOUNTING AND REPORTING [Section 9]

- The audit team was satisfied that the expenditure reports were generally an accurate representation of BRRSD expenditures. The audit team was satisfied that adequate safeguards exist for proper internal controls.

REVIEW OF EXPENDITURES [Section 10]

- The FY99 BRRSD audit by the District's CPA firm included recommendations to improve the system of internal accounting controls or that which would result in other operating efficiencies. The district is in the process of adopting the suggested improvements.

Audit Recommendations

- In reviewing the district agreement, it was noted the definition of capital costs did not specify a dollar amount threshold. There is no written agreement as to how costs incurred by the respective communities are apportioned to the regional school district. The district should develop such an agreement. [See Section 3]
- The district pays assessments to the towns for maintenance of school grounds, retirees' health insurance and County pension costs for former school department (non-teacher) employees (prior to full regionalization). There is not any formal agreement relating to these payments or any documentation as to the amounts that were calculated. The reimbursement represents 27.9% and 35.7%

of the towns of Bridgewater and Raynham's annual assessment, respectively. Eventually, the liabilities for these former employees will be zero. The district should develop such an agreement. [See Section 9]

- In agreeing the 1999 end of year report on file with DOE and the district's copy of the end of year report it was noted certain corrections submitted to DOE by BRRSD were not completed by DOE. Discussions with the district treasurer resulted in the decision by the district to resubmit the corrections to DOE. [See Section 9]
- The district should re-issue receiving procedures and incorporate them into the payment cycle. Along with these procedures an updated listing of personnel authorized to receive goods and services should be attached. [See Section 10]

Auditee's Response

The audit team held an exit conference with the Superintendent and his administrative staff on December 19, 2000. The team invited BRRSD to suggest specific technical corrections and make a formal written response. Some oral comments were incorporated in the draft.

Review Scope

While on site, the audit team interviewed officials, which was limited to the Superintendent, assistant superintendent, business manager, school treasurer, school committee co-chairpersons and the principal of the Burnell Campus School. Documents reviewed included district agreements, Bridgewater State College and BRRSD agreement, vendor and personnel contracts, invoices, enrollment statistics, MCAS scores and reports submitted to DOE.

The school district review was designed to determine whether or not basic financial goals related to education reform have been met. However, this report does not intend to present a definitive opinion regarding the quality of education in BRRSD, or its successes or failures in meeting particular education reform goals. Rather, it is intended to present a relevant summary of data for evaluation and comparison purposes.

The focus of this review was on operational and financial issues. It did not encompass all of the tests that are normally part of a year-end financial audit such as: review of internal controls; cash reconciliation of accounts; testing compliance with purchasing and expenditure laws and regulations; and generally accepted accounting principles. The audit team tested financial transactions on a limited basis only. The audit team also excluded federal grants, state grants except for Equal Education Opportunity (EEO) and Per Pupil Education Aid. The audit team

did not test statistical data relating to enrollment, test scores and other measures of achievement. This report is a matter of public record and its distribution is not limited.

III. General Conditions and Findings

1. Overview

The Bridgewater-Raynham Regional School District (BRRSD) was formed in 1959 under M.G.L. Ch.71, as amended and supplemented, and an Agreement, as amended, between the towns of Bridgewater and Raynham. The district has been providing services for PreK to grade 12 since the 1995 school year.

BRRSD is the second largest K-Grade 12 regional school district in the Commonwealth. It is made up of one regional high school for grades 9-12, two middle schools (one in each community), and six elementary buildings (two in Bridgewater and four in Raynham). The district is in the process of building a new middle school in Raynham, which is expected to be open September, 2001. This will result in the closing of three small elementary schools in the community. The Burnell Campus School, a K-4 elementary school in Bridgewater, is owned and maintained by Bridgewater State College (BSC). DOE's report on Statistical Trends in Enrollment in Massachusetts Public Schools classifies Bridgewater as a community of above average growth while Raynham is in the low growth category.

The Superintendent has been in this position for two years, the assistant superintendent for four years, the business manager for four years while being employed by the district for 27 years and the district treasurer for 10 years.

Chart 1-1 shows some key statistics for the school district.

Chart 1-1

**Bridgewater-Raynham Regional School District
Demographic Data 1998/99**

1998/1999	BRRSD State		1997/1998	BRRSD State	
Race / Ethnicity:					
White	96.6%	77.1%	% Attending Private School	10.8%	10.0%
Minority	3.4%	22.9%	High School Drop-Out Rate	1.2%	3.4%
Grade 10 MCAS - English	233	229	Grade 10 MCAS - English	235	230
Grade 10 MCAS - Math	228	222	Grade 10 MCAS - Math	231	222
Limited English Proficiency	0.1%	4.7%	Plan of Graduates:		
Special Education	15.3%	16.6%	4 Year College	63.0%	53.2%
Eligible for Free/Reduced Priced Lunch	7.8%	25.8%	2 Year College	17.7%	18.6%
			Work	7.4%	16.2%

Note: Data provided by DOE.

2. District Management

The purpose of this section is to review the district's procedures regarding the evaluation of staff, Superintendent's management style and practices, as well as the hiring and evaluation processes for administrators and teachers.

School Committee

The regional school committee is made up of eight elected members, who are voted in by both respective towns. Terms are for three years and are staggered so that all members are not up for re-election at the same time. The chairmanship of the committee typically might rotate back and forth between the two towns although it is not required by the agreement. The whole committee meets once per month and the Superintendent's office mails each member an information packet covering school matters once a week.

Currently, the school committee has several sub-committees that meet as needed. The sub-committees include but are not limited to personnel which deal with collective bargaining, evaluations of school district personnel and lastly, a building needs committee which deals with capital needs and planning.

Evaluation of Superintendent by School Committee

The Superintendent's annual evaluation process begins in spring of the current school year. An evaluation instrument is distributed to the school committee on March 15th and returned to the evaluation subcommittee. This evaluation

subcommittee, consisting of two appointed members of the school committee will collect the evaluation instrument completed by each member of the school committee. Each school committee member will meet and share his/her evaluation with the superintendent prior to submitting it to the evaluation subcommittee. A summary report is given by the chairperson of the subcommittee in open session at the May school committee meeting. The annual evaluation process for the superintendent is not meant to prevent the school committee from communicating its suggestions, criticisms and recommendation about the work of the superintendent during the year. The superintendent will submit the goals of the superintendent at the June meeting of the school committee. Some of the current goals for the superintendent have included improving student achievement, aligning the curriculum with the state frameworks and improving the utilization of technology for students and staff.

Superintendent's Contract

The Superintendent of BRRSD is currently entering the second year of a five-year contract. The contract makes mention of how goal setting and the superintendent's evaluation is related to salary.

Evaluation by Superintendent of Administrative Staff

The Superintendent evaluates the principals, as well as all central office personnel including the assistant superintendent, treasurer and business manager. These administrators are required to meet goals in line with the district's strategic goals. Pay raises are also based on performance and range between three and five percent.

District Management

The Superintendent meets weekly with all central office personnel and is in constant communications with all principals. The weekly meetings are to discuss administrative issues and district events. School committee directives and initiatives are the topic of these meetings at times.

BRRSD developed a strategic plan in October 1999. This plan details the region's seven guiding beliefs and five goals. This plan covers the timespan from 1999 through 2005. It was developed with input from administrators, teachers, students, the communities, the school committees, and the school councils. The plan's goals include improving student achievement and aligning the curriculum with the state curriculum frameworks. The school committee approved the strategic plan on November 17, 1999.

The Superintendent states that he makes an effort to assure that the goals of the district, as stated in the strategic plan, are constantly being strived for by all district personnel.

Principals' Contracts

The region's principals all have three-year contracts that are set to expire in June of various upcoming years. All principals are evaluated annually and if they receive a good evaluation are awarded the pay increases stipulated in their contract. In reviewing the principals on an annual basis, the superintendent determines if all goals have been met. These goals include those of the strategic plan plus 3 to 5 specific site goals.

When reviewing principals the superintendent looks to assess leadership in the areas of instruction, organization, administration and management. The current superintendent also looks to see what progress has been made to promote equity and appreciation of diversity and the relationship with the communities. Finally, the superintendent also critiques the effective evaluation and supervision of building personnel.

Teacher's Union Contract

The most recent contract between the Bridgewater-Raynham Regional Teachers Union and school committee expires on August 31, 2001. The contract is for three years in length and grants 3, 3 and 3.5 percent annual raises during the contract. The contract also gives a very detailed account of the teacher evaluation process, including sample documentation of the evaluation tool, as well as the process to be used in the improvement underperforming teachers.

3. Regional School District Agreement

This section reviews provisions of the regional school agreement especially with regard to assumption and apportionment of costs, and whether agreement provisions concur or conflict with the requirements of education reform.

Agreement Provisions:

- School Committee is composed of eight at-large members elected by voters of both communities, four from each of the two towns.
- All students in grade 9-12 will attend the district HS in Bridgewater.
- Pupils in grades Pre-K through grade eight shall attend schools in their own town except those in special needs or in specialized educational programs recommended by the superintendent or school committee.
- Each town leases the buildings, facilities and grounds to the district, while education materials and equipment are purchased by BRRSD. The current lease is for a twenty-year period beginning July 1, 1994.

- The district shall pay all expenses of maintaining and operating the buildings and keeping them in good repair.
- The towns must approve all capital improvements authorized by the district.
- Capital costs for the Regional High School are apportioned by pupil enrollment while each town shall be responsible for its respective elementary schools and middle schools.
- The procedures for admission of new towns and withdrawal from the regional district are covered by the agreement.

The Superintendent of BRRSD informed the audit team that it was agreed among the member towns and school committee that all repairs, maintenance items, school improvements over \$10,000 would be classified as capital costs.

Apportionment of Costs

For the purpose of apportioning assessments levied by the district against the member towns, costs are divided into two categories: capital costs and operating costs.

Capital costs include all expenses in the nature of capital outlay such as the cost of acquiring land or the cost of constructing and reconstructing and adding to buildings and any other item for which a RSD may be authorized to borrow. Capital costs also include payment of principal and interest on bonds, notes, or other obligations issued by the district to finance capital costs.

Operating costs include all costs not included in capital costs as defined above, including transportation costs and interest on temporary notes issued by the district in anticipation of revenue.

Capital costs are apportioned on the basis of each member town's pupil enrollment in Pre-K -12 residing in the town and receiving education at its expense as of October 1 of the fiscal year next preceding the fiscal year for which the apportionment is determined.

Chart 3-1 illustrates the recent history of total assessments to member towns in the region. Stability in percentage assessment of costs is apparent until FY00, the first year of added costs due to the building of a new middle school by the Town of Raynham.

Chart 3-1

**Bridgewater-Raynham Regional School
Assessment To Town Members
(in millions)**

District Member	FY97	% share	FY98	% share	FY99	% share	FY00	% share	FY97-FY00 CHANGE
Bridgewater	\$ 9.35	65.7%	\$ 9.80	65.2%	\$ 10.83	65.6%	\$ 11.63	63.1%	24.4%
Raynham	\$ 5.56	34.3%	\$ 5.96	34.8%	\$ 6.30	34.4%	\$ 6.79	36.9%	22.1%

Note: Data obtained from B-RPS

An Agreement between Bridgewater State College and Bridgewater-Raynham

A ten-year agreement was signed on January 27, 1999 to expire on August 31, 2009 which allows the district to use as an elementary school one of the college buildings. The agreement is extensive and precise in the duties of the participants. Following is a list of some of the key financial items in the agreement:

- the school is owned by the college and they will provide instructional media equipment and library/media and custodial personnel;
- the district will hire all other support staff;
- the college will provide maintenance and custodial services;
- an advisory council consisting of three members of the college and three from the district will provide general direction to the school;
- the principal is an employee of the college to be chosen by the advisory council;
- the college will provide security outside the building and internal security will be shared;
- the district will hire all teachers, teachers aids and like persons who will provide instructional and related educational services;
- the district will provide all food and hire all persons who are engaged to provide food services;
- the district will provide all transportation and hire all persons who are engaged to provide transportation of pupils; and
- the district will determine curricula and provide all textbooks and instructional supplies.

The Agreement and Education Reform

Education Reform legislation passed in 1993 provides that operating costs shall be apportioned to the member towns of a regional school district according to a statutory mechanism, notwithstanding any provisions to the contrary in the district agreement. Therefore, it is likely that operating costs for future fiscal years will be apportioned on a basis that varies from that provided for in the district agreement. Capital costs will continue to be apportioned pursuant to the district agreement.

FINDING

In reviewing the district agreement, it was noted the definition of capital costs did not specify a dollar amount threshold. There is no written agreement as to how costs incurred by the respective communities are apportioned to the regional school district.

4. Enrollment

Several measures may be used to report actual student enrollment. This audit uses actual and projected student headcount and also foundation enrollment, both as of October 1. Actual and projected enrollment is reviewed by the audit team to determine accuracy in the apportionment of costs, reasonableness in methodology and use in school construction or in academic decision making. Foundation enrollment is reviewed to determine accuracy in the distribution of Chapter 70 state aid.

Headcount: Actual and Projected

Headcount is based upon students enrolled at each school as annually reported to DOE on the Individual School Reports.

Chart 4-1 illustrates BRRSD actual and projected student enrollment as well as percentage distribution by grade level for selected school years from October 1, 1994 to October 1, 2005. The chart indicates:

- BRRSD total enrollment percentage increase between FY95 and FY00 but was less than the state average 7.9 percent during that period.
- BRRSD projects an 8.6 percent overall increase from FY00 to FY05. This is almost three times the projections of The National Center for Education Statistics (NCES) which says Massachusetts' K-12 enrollment will increase by three percent during this time, and then peak and remain fairly stable. DOE's K-12 enrollment projections agree with NCES's pattern.
- BRRSD projects high school enrollment to increase 16.8 percent through FY2005. DOE's high school enrollment projections agree with this pattern.

Chart 4-1

Bridgewater-Raynham Regional School District
Actual/Projected Student Enrollment and Percentage Distribution

Selected School Year	Elementary School		Middle School		High School		Total Enrollment
	PK-6	%	7-8	%	9-12	%	Grades PK - 12
1994/95	3,072	57%	918	17%	1,396	26%	5,386
1995/96	3,184	58%	859	16%	1,412	26%	5,455
1996/97	3,247	58%	888	16%	1,424	26%	5,559
1997/98	3,298	59%	880	16%	1,453	26%	5,631
1998/99	3,423	59%	908	16%	1,424	25%	5,755
1999/00	3,474	59%	940	16%	1,438	25%	5,852
2000/01	3,422	58%	977	17%	1,483	25%	5,882
2004/05	3,601	57%	1,077	17%	1,679	26%	6,357
BRSD 95-99							
% Change	11.4%		-1.1%		2.0%		6.9%
State 95-99 %							
Change	5.9%		12.8%		12.7%		7.9%
BRSD 00-05							
% Change	3.7%		14.6%		16.8%		8.6%

Note: Data obtained from B-RPS and DOE.

Chart 4-2

Bridgewater-Raynham Regional School District
Actual/Projected Student Enrollment and Percentage
Distribution By Member Community

District Member	FY95	FY98	FY99	FY00	FY05	FY95 - FY00	FY00 - FY05
						% Incr./ (Decr.)	% Incr./ (Decr.)
Bridgewater	3,498	3,694	3,706	3,865	4,132	10.5%	6.9%
Raynham	1,890	1,937	2,045	1,982	2,225	4.9%	12.3%

Note: Data obtained from B-RPS. Four state wards in 99, five in 00.

Foundation Enrollment

Foundation enrollment is based upon students for whom the district is financially responsible. It is used in the calculation of each district's required spending on its own students and amount of chapter 70 state aid each district receives to assist with the cost. BRRSD' foundation enrollment increased from 5,059 in FY95 to 5,564 in FY00, or by 10.0 percent.

5. School Budget Review Process

District School Committee's Role

Under existing law and pursuant to the district agreement, the regional district school committee annually determines amounts necessary to be raised to maintain and operate the district schools during the next fiscal year and amounts required for payment of debt and interest incurred by the district which will be due in the said year and annually apportions the net amount thereof (after deducting available funds and state aid to be received and applied to such budget) among each member town in accordance with the district agreement.

The committee adopts an annual operating and maintenance budget for the ensuing fiscal year on or about March 20 and apportions the amounts necessary to be raised in order to meet budget. The amounts apportioned to each member town are certified by the district treasurer to the treasurer of each member town within thirty days from the date on which the annual operating and maintenance budget is adopted by the committee, but no later than April 30.

Chapter 71, section 16(B) of the general laws requires that the annual budget be approved by a two-thirds vote of the committee and provides that the respective sums apportioned to the member towns must be appropriated by a majority vote of the appropriating authorities of two-thirds of the member towns. If the apportioned sums are not so appropriated by the member towns the committee shall have thirty days to reconsider and shall submit an amended budget on the basis of the issue raised. The committee shall reapportion the budget among the member towns and a copy of the amended budget shall be provided, not later than seven days from the date the amended budget was adopted by the committee.

This section examines the school budget development process and the school committee's budget review process to determine how financial and educational decisions are made, and how some of the goals and objectives of education reform are considered.

School Budget Development

School district administrators, cost center managers and the District's business manager meet in the fall to develop a school budget for the subsequent fiscal year. A time-line projection for budget preparation and actions is also prepared annually. The objective of time-line planning is to distribute the workload of budget development and to maximize an efficient and detailed preparatory process by the School Committee. Time-line projections dates may be adjusted as needs dictate; however, those established by General Laws of Massachusetts and those in compliance with the Regional Agreement between Raynham and Bridgewater are mandated and not subject to change.

During the fall, cost center managers solicited final budget input from teaching and non-teaching staff and from school councils. Cost center managers are responsible for budget development and expense control within their cost center. The final budget is organized by the Business Manager, reviewed by the Superintendent and his administrative staff and presented to the school committee for review and approval by early to mid February.

School Budget Review

After review of the entire budget considered necessary to continue the existing educational programs, as recommended by the administration, the School Committee will review the budget in detail. The School Committee may consider the adoption of new programs, additional staff and expansion of existing programs. The budgetary impact of each of these considerations is studied in great detail and voted on accordingly. The budget is adopted by the school committee which is not later than 45 days prior to the earliest annual town meeting, business session, which is usually in May. Thus they usually adopt the School Committee Budget in March. Also within 30 days from this adoption date the district budget is certified by the District Treasurer to the treasurers of both Bridgewater and Raynham. Copies of the budget are mailed to the chairman of the finance or advisory committee of each member town. A vote by the town of Bridgewater is done at Town Meeting during the first Monday in May while a vote by the town of Raynham is done at Town Meeting during the third Monday in May.

Certain Goals and Objectives

BRRSD budgets an amount greater than foundation and net school spending. Key area foundation budget categories are not considered in the budget process. The audit team has found that not providing for foundation in the key areas is not uncommon in districts throughout the state. Foundation budgeting and net school spending will be discussed in section 7 of this audit.

6. Total School District Expenditures

Total school district expenditures include expenditures by the school committee as reported in the DOE end-of-year report. This section reviews spending by function, by program and by per pupil. One measure of per pupil spending calculated and reported by DOE is presented for comparison purposes. The audit team reviewed spending factors but not student FTEs or methodologies used in DOE's calculations.

Spending By Function

Chart 6-1 illustrates in summary total school district expenditures by function and by percentage distribution for selected fiscal years. *Appendix A-1* provides the detail for this chart.

Chart 6-1

Bridgewater-Raynham Regional School District
Total School District Expenditures By Function
 (in millions of dollars) and By Percentage Distribution

	FY97	% of Total	FY98	% of Total	FY99	% of Total	FY97 - FY99	
							\$ Diff	% Diff
Instructional Services	\$18.7	62.9%	\$19.8	64.6%	\$21.1	61.8%	\$2.4	13.0%
Other Services	\$11.0	37.1%	\$10.9	35.4%	\$13.1	38.2%	\$2.0	18.6%
Total School District:	\$29.7	100.0%	\$30.7	100.0%	\$34.2	100.0%	\$4.5	15.1%

Note: Data provided by BRRSD. Percentages may not add due to rounding.

Spending By Program

Chart 6-2 illustrates in summary total school district expenditures by program and percentage distribution for selected fiscal years. *Appendix A-2* provides the detail for this chart. Undistributed expenditures are those not reported by program.

Chart 6-2

Bridgewater-Raynham Regional School District
Total School District Expenditures By Program
 (in millions of dollars) and By Percentage Distribution

	\$ FY97	% FY97	\$ FY98	% FY98	\$ FY99	% FY99	FY97 - FY99	
							\$ Diff	% Diff
Regular Day	\$15.1	51.0%	\$16.3	53.4%	\$17.0	49.9%	\$1.9	12.6%
Special Education	\$4.8	16.1%	\$4.9	16.1%	\$5.4	15.9%	\$0.6	13.5%
Undistributed	\$9.8	32.9%	\$9.3	30.5%	\$11.7	34.3%	\$1.9	19.9%
Total School District:	\$29.7	100.0%	\$30.6	100.0%	\$34.2	100.0%	\$4.5	15.1%

Note: Data provided by BRRSD. Percentages may not add due to rounding.

Per Pupil Spending

DOE annually calculates per pupil spending based upon programmatic costs and total average membership in FTEs reported on the end-of-year reports. Certain expenditures and school choice tuition are excluded. Regular day programs are those where students receive a general course of instruction. Special education programs are for students whose educational needs cannot be satisfied in a regular day program. Total day costs are the sum of all programmatic costs.

Chart 6-3 shows DOE's calculation of per pupil spending for regular, special education and total day programs. Not included in these per pupil expenditures are costs which by agreement are born by Bridgewater State College.

Chart 6-3

Bridgewater-Raynham Regional School District Per Pupil Spending - Day Program

Fiscal Year	Regular Day			Special Education			Total Day		
	B/RSD	State Avg.	B/R % of State Avg.	B/RSD	State Avg.	B/R % of State Avg.	B/RSD	State Avg.	B/R % of State Avg.
FY97	\$4,349	\$4,933	88.2%	\$8,187	\$9,391	87.2%	\$5,024	\$6,015	83.5%
FY98	\$4,519	\$5,221	86.6%	\$7,683	\$9,873	77.8%	\$5,165	\$6,361	81.2%
FY99	\$4,987	\$5,481	91.0%	\$8,941	\$10,502	85.1%	\$5,688	\$6,684	85.1%

Note: Data provided by DOE

Observation

BRRSD actual per pupil costs would be higher were it not for the fact Bridgewater State College is paying for a large share of educating close to 400 children.

7. Maintenance and Capital Improvement

The purpose of this section is to review how BRRSD maintains its facilities to ensure a safe, healthy educational environment and how the district plans for future facility needs.

Maintenance and Site Visits

The audit team made site visits to all the schools. Overall it was concluded that the schools are clean and in excellent condition.

Capital Improvements

Each town leases the school buildings to the district. The current leases are for a twenty-year period beginning July 1, 1994. The district is responsible for paying all expenses of maintaining and operating the buildings and keeping them in good repair.

When capital improvements are required for an elementary or middle school, the town where the building is located will provide the funding. Each town has a Capital Improvement Committee who factors not only the school buildings capital improvement but the entire town's needs as well. The Superintendent informed the audit team that capital improvements are those items in which the cost exceeds \$10,000, both towns within the district have supported capital improvement requests. Capital improvement costs for the high school are apportioned by pupil enrollment.

The district is currently in the process of building a new middle school in Raynham at a projected cost of \$24 million. The BRRSD will receive a reimbursement of 73% from the Commonwealth while the Town of Raynham will pay the balance. In addition, the town of Raynham is renovating two of its schools at a total projected cost of \$5 million. The total costs of these projects (\$29 million) were financed through the sale of bonds.

8. Compliance with Spending Requirements

Pursuant to education reform, DOE determines a required school spending target, or foundation budget, and an annual school spending requirement, or net school spending, for each school district. In addition, the law requires action on the part of a district when certain spending amounts are not met. This section determines compliance with these requirements. One measure of per pupil spending reported by DOE is presented for comparison purposes.

The foundation budget is a target level of spending designed to ensure a quality level of education in each school district. DOE determines a foundation budget by using several factors and by including an annual adjustment for inflation. All school districts are expected to meet their total foundation budget by FY00.

Net school spending is the amount a school district must spend for the support of public education including certain expenditures made by the municipality on behalf of the local school district. It does not include expenditures for certain classes of long-term debt service, school lunches, community services, fixed assets and student transportation. It also does not include tuition revenue.

According to *Chart 8-1*, BRRSD met and exceeded the foundation budget first in FY99.

Chart 8-1

Bridgewater-Raynham Regional School District
Meeting Total Foundation Budget Target
(in millions of dollars)

	FY97	FY98	FY99	FY00
Foundation Budget Target	\$29.1	\$30.9	\$30.9	\$31.2
Required NSS as % of Foundation	96.6%	96.9%	108.5%	110.9%
Actual NSS as % of Foundation	96.7%	93.7%	104.3%	108.8%

Note: Data obtained from DOE. FY00 actual NSS is budgeted.

A district's net school spending requirement is the sum of the school district's minimum local contribution and Chapter 70 state aid. Local and regional school districts must provide at least 95 percent of the net school spending requirement.

Chart 8-2

Bridgewater-Raynham Regional School District
Local and State Contributions to Actual Net School Spending
(in millions of dollars)

	FY97	FY98	FY99	FY00
Actual Net School Spending	\$28.1	\$29.0	\$32.2	\$33.9
Actual Local Contribution \$	\$14.1	\$13.8	\$15.6	\$17.3
State Contribution \$	\$14.0	\$15.2	\$16.6	\$16.6
Actual Local Contribution %	50.2%	47.6%	48.4%	51.0%
State Contribution %	49.8%	52.4%	51.6%	49.0%

Note: Data obtained from DOE. FY00 actual NSS is budgeted.

The foundation budget also establishes spending targets by grade and program. These targets are intended as guidelines only and are not binding on school districts. To encourage an appropriate level of spending, M.G.L. Ch.70, §9 requires the Superintendent to report to the Commissioner of Education when the district has either:

- failed to meet the spending target in any one of four key functional areas: professional development, books and instructional equipment, expanded programs and extraordinary maintenance and/or
- exceeded the spending target for administrative expenses.

The Superintendent must explain the reasons for the shortfall or additional costs.

As shown in *Chart 8-3*, expenditures in the four key areas did not meet foundation in any of the years shown.

Chart 8-3

**Bridgewater-Raynham Regional School District
Foundation Budget Target for Key Areas
(by percentage)**

	FY97	FY98	FY99
Professional Development	28.4%	83.0%	93.9%
Books and Equipment	56.6%	63.7%	56.6%
Expanded Program	0.0%	0.0%	0.0%
Extraordinary Maintenance	0.0%	0.0%	0.0%
<u>Administrative Expenses</u>	<u>22.7%</u>	<u>22.6%</u>	<u>36.0%</u>

Note: Data obtained from DOE

Net School Spending

According to *Chart 8-4* BRRSD is below required net school spending for years FY98 through FY00.

Chart 8-4

**Bridgewater-Raynham Regional School District
Meeting Net School Spending
(in millions of dollars)**

	FY97	FY98	FY99	FY00
Required Net School Spending	\$28.1	\$30.0	\$33.5	\$34.6
Actual Net School Spending	\$28.1	\$29.0	\$32.2	\$33.9
Actual as Percentage of Required	100.0%	96.7%	96.1%	98.0%

Note: Data obtained from DOE. FY00 actual NSS is budgeted.

Per Pupil Actual Net School Spending

Chart 8-5 illustrates BRRSD and the state's actual net school spending in actual and constant (1992) dollars on a per student basis. DOE calculates actual net school spending.

Chart 8-5

Bridgewater-Raynham Regional School District**Actual Net School Spending Per Student****Actual and Constant (1992=100) Dollars**

		FY97	FY98	FY99	FY00	FY97 to FY00 Change
BRRSD	in Actual \$	\$5,392	\$5,383	\$5,870	\$6,092	13.0%
	in 1992 \$	\$5,281	\$5,181	\$5,512	\$5,579	5.6%
State	in Actual \$	\$6,359	\$6,666	\$7,006	\$7,306	14.9%
	in 1992 \$	\$6,228	\$6,416	\$6,578	\$6,690	7.4%

Note: Data obtained from DOE. FY00 actual NSS is budgeted.

9. Accounting and Reporting

In a recent district audit, the district's certified public accounting (CPA) firm did not become aware of any material weaknesses in the district's system of internal accounting. The firm observed and made recommendations regarding certain district practices related to cash receipts, assessments paid to towns, expenditure documentation, and payroll, which in its opinion could be improved. The audit team followed up on these and other internal control practices to assure that no material weaknesses were present in the district as of our audit date. In addition, the audit team also agreed amounts reported to DOE on the FY99 End of Year report to the district's accounting records. The results of our review disclosed an internal control weakness, which still needs to be addressed. There were no exceptions noted in agreeing amounts on the FY99 End of Year report submitted to DOE. Listed below is the internal control issue, which should be addressed, and the recommendation.

Finding

The district pays assessments to the towns for maintenance of school grounds, retirees' health insurance and County pension costs for former school department (non-teacher) employees (prior to full regionalization). There is not any formal agreement relating to these payments or any documentation as to the amounts that were calculated. The reimbursement represents 27.9% and 35.7% of the towns of Bridgewater and Raynham's annual assessment, respectively. Eventually, the liabilities for these former employees will be zero.

Recommendation

The district review the circumstances surrounding these payments and enters into formal agreements for such payments.

Finding

In agreeing the 1999 end of year report on file with DOE and the district's copy of the end of year report it was noted certain corrections submitted by BRRSD to DOE were not completed by DOE.

Results

Discussions with the district treasurer resulted in BRRSD's decision to re-submit the corrections to DOE.

10. Review of Expenditures and Cash Controls

The audit team completed a review of BRRSD expenditures, purchasing controls, and FY2000 warrants and invoices. The team reviewed the purchasing controls and procedures and analyzed the accounting system utilized by the regional school district. The review included reviewing all invoices for FY2000, interviews with the business manager and the school district treasurer. The separation of functions concerning purchasing, receiving, and authorization for payment are in place and the school committee and treasurer sign off warrants.

Finding

A sampling of invoices indicated that the district's receiving procedures were not being applied properly by district personnel.

Recommendation

The district should re-issue and require authorized personnel apply the receiving procedures. Along with these procedures a listing of personnel authorized to receive goods and services should be up-dated and attached to the receiving procedures.

VI. Appendix

Appendix A-1	Total School District Expenditures by Function
Appendix A-2	Total School District Expenditures by Program and Percentage Distribution
Appendix B	Net School Spending by Foundation Budget Categories FY97- FY99 - Table
Appendix C	Net School Spending by Foundation Budget Categories FY97-FY99 – Graph
Appendix D	Auditee's Response

Bridgewater-Raynham Regional School District
Total School District Expenditures By Function
(in thousands of dollars)

	FY97	% of Total	FY98	% of Total	FY99	% of Total	FY97 - FY99	
							\$ Diff.	% Diff.
Instructional Services:								
Supervisory	\$410	1%	\$283	1%	\$89	0%	-\$321	-78.2%
Principal	\$1,086	4%	\$1,141	4%	\$1,208	4%	\$122	11.3%
Principal Technology	\$5	0%	\$21	0%	\$11	0%	\$6	105.6%
Teaching	\$15,294	51%	\$15,990	52%	\$17,430	51%	\$2,136	14.0%
Professional Development	\$130	0%	\$406	1%	\$451	1%	\$320	245.9%
Textbooks & Inst. Equipment	\$228	1%	\$309	1%	\$140	0%	-\$88	-38.6%
Instructional Technology	\$142	0%	\$220	1%	\$231	1%	\$89	62.4%
Educational Media	\$267	1%	\$219	1%	\$277	1%	\$11	4.1%
Guidance & Psychological	\$1,127	4%	\$1,211	4%	\$1,281	4%	\$154	13.6%
Subtotal:	\$18,689	63%	\$19,800	65%	\$21,118	62%	\$2,429	13.0%
Other Services:								
General Administration	\$362	1%	\$396	1%	\$541	2%	\$179	49.5%
Administrative Support	\$262	1%	\$262	1%	\$275	1%	\$13	5.0%
Administrative Technology	\$27	0%	\$7	0%	\$17	0%	-\$10	-37.2%
Employee Benefits Admin.	\$0	0%	\$0	0%	\$0	0%	\$0	0.0%
Attendance	\$0	0%	\$0	0%	\$34	0%	\$34	0.0%
Health	\$407	1%	\$440	1%	\$462	1%	\$55	13.6%
Pupil Transportation	\$1,319	4%	\$1,482	5%	\$1,698	5%	\$379	28.7%
Food Service	\$0	0%	\$0	0%	\$0	0%	\$0	0.0%
Athletics	\$307	1%	\$306	1%	\$337	1%	\$30	9.8%
Other Student Body Activities	\$18	0%	\$23	0%	\$31	0%	\$13	67.9%
Operations and Maintenance	\$2,333	8%	\$2,478	8%	\$2,682	8%	\$349	14.9%
Extraordinary Maintenance	\$0	0%	\$0	0%	\$0	0%	\$0	0.0%
Networking & Telecomm.	\$3	0%	\$5	0%	\$8	0%	\$5	200.0%
Employee Benefits & Ins.	\$3,438	12%	\$3,234	11%	\$4,081	12%	\$642	18.7%
Rent. Lease, Int., Fixed Chgs.	\$797	3%	\$88	0%	\$907	3%	\$110	13.7%
Civic Activities	\$0	0%	\$0	0%	\$0	0%	\$0	0.0%
Recreation	\$0	0%	\$0	0%	\$0	0%	\$0	0.0%
Asset Acq. & Improvement	\$104	0%	\$27	0%	\$78	0%	-\$26	-24.9%
Debt Service	\$77	0%	\$74	0%	\$72	0%	-\$5	-6.6%
Payments To Other Districts	\$1,563	5%	\$2,041	7%	\$1,839	5%	\$275	17.6%
Subtotal:	\$11,015	37%	\$10,864	35%	\$13,059	38%	\$2,044	18.6%
Total School Committee Expenditures By Function:	\$29,704	100%	\$30,664	100%	\$34,177	100%	\$4,473	15.1%

Note: Data provided by DOE. Percentages may not add due to rounding. Health and Pupil Transportation include non-Public. N/A indicates no category in that fiscal year or dividing by "0". Certain lines omitted due to no dollar entry.

Bridgewater-Raynham Regional School District**Total School District Expenditures****By Program (in thousands of dollars) and By Percentage Distribution**

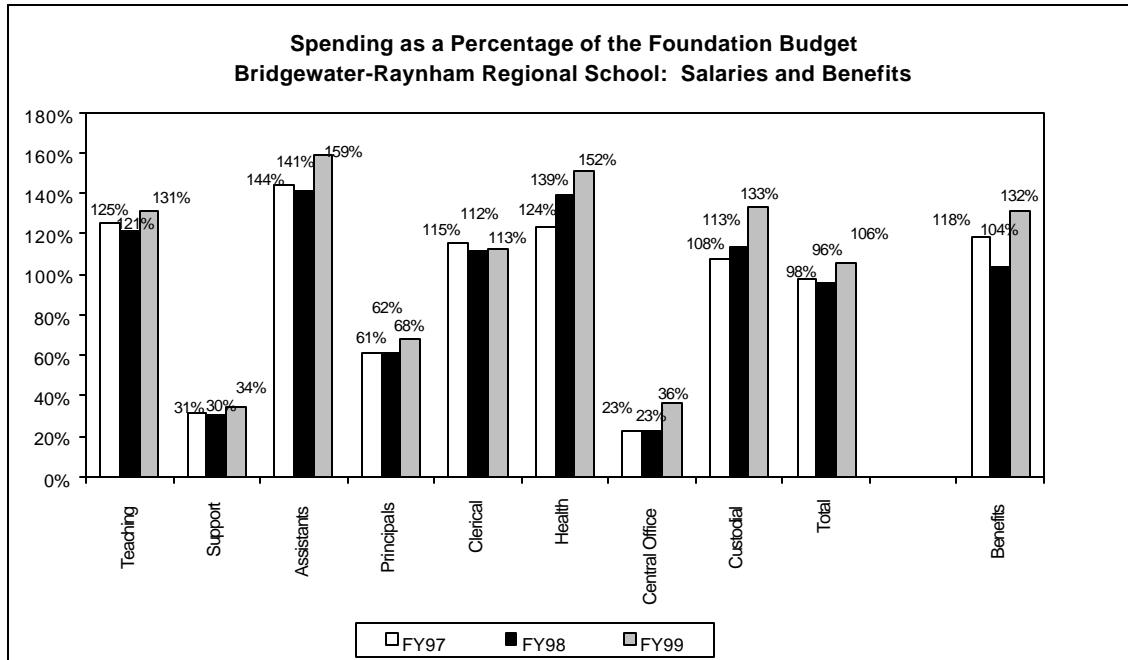
	\$ FY97	% FY97	\$ FY98	% FY98	\$ FY99	% FY99	FY97 - FY99	
							\$ Diff.	% Diff.
Instructional:								
Regular Day	\$14,226	48.0%	\$14,845	48.5%	\$15,722	46.0%	\$15,722	110.5%
Special Education	\$2,832	9.5%	\$2,948	9.6%	\$3,218	9.4%	\$3,218	113.6%
Undistributed	\$1,630	5.5%	\$2,007	6.6%	\$2,178	6.4%	\$2,178	133.6%
Subtotal Instructional:	\$18,689	63.0%	\$19,800	64.7%	\$21,119	61.8%	\$21,119	113.0%
Other Services:								
Regular Day	\$903	3.0%	\$1,486	4.9%	\$1,312	3.8%	\$1,312	145.2%
Special Education	\$1,941	6.5%	\$1,981	6.5%	\$2,198	6.4%	\$2,198	113.3%
Undistributed	\$8,133	27.4%	\$7,341	24.0%	\$9,528	27.9%	\$9,528	117.2%
Subtotal Other Services:	\$10,977	37.0%	\$10,808	35.3%	\$13,038	38.2%	\$13,038	118.8%
Total School Expenditures:								
Regular Day	\$15,130	51.0%	\$16,332	53.4%	\$17,033	49.9%	\$17,033	112.6%
Special Education	\$4,773	16.1%	\$4,929	16.1%	\$5,416	15.9%	\$5,416	113.5%
Undistributed	\$9,764	32.9%	\$9,348	30.5%	\$11,707	34.3%	\$11,707	119.9%
Total:	\$29,666	100.0%	\$30,608	100.0%	\$34,156	100.0%	\$34,156	115.1%

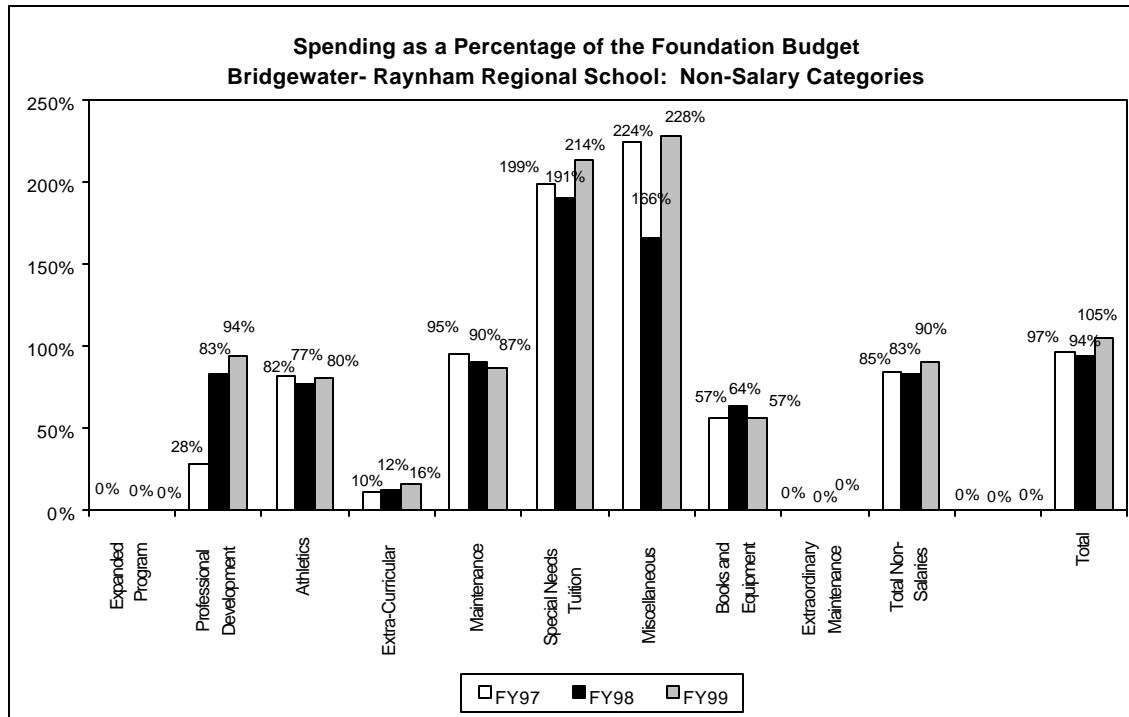
Note: Data provided by DOE

Bridgewater-Raynham Regional School District
Net School Spending According to Foundation Budget Categories
(in thousands of dollars)

	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
Teaching Salaries	\$14,563	\$15,082	\$16,059	\$11,657	\$12,438	\$12,221	\$2,906	\$2,644	\$3,838
Support Salaries	\$1,138	\$1,170	\$1,303	\$3,630	\$3,850	\$3,786	-\$2,492	-\$2,680	-\$2,483
Assistants' Salaries	\$785	\$817	\$912	\$545	\$580	\$572	\$240	\$237	\$340
Principals' Salaries	\$698	\$745	\$807	\$1,137	\$1,209	\$1,191	-\$439	-\$464	-\$384
Clerical Salaries	\$768	\$790	\$785	\$665	\$707	\$696	\$103	\$83	\$89
Health Salaries	\$301	\$363	\$388	\$244	\$260	\$256	\$57	\$103	\$132
Central Office Salaries	\$243	\$257	\$403	\$1,071	\$1,137	\$1,121	-\$828	-\$880	-\$717
Custodial Salaries	\$1,084	\$1,212	\$1,404	\$1,006	\$1,072	\$1,053	\$78	\$140	\$351
Total Salaries	\$19,579	\$20,436	\$22,061	\$19,955	\$21,253	\$20,896	-\$376	-\$817	\$1,165
Benefits	\$3,287	\$3,082	\$3,867	\$2,781	\$2,961	\$2,933	\$506	\$121	\$934
Expanded Program	\$0	\$0	\$0	\$158	\$177	\$161	-\$158	-\$177	-\$161
Professional Development	\$130	\$406	\$451	\$459	\$489	\$480	-\$329	-\$83	-\$30
Athletics	\$307	\$306	\$337	\$374	\$395	\$420	-\$68	-\$89	-\$83
Extra-Curricular	\$18	\$23	\$31	\$177	\$188	\$198	-\$159	-\$164	-\$167
Maintenance	\$1,249	\$1,266	\$1,292	\$1,317	\$1,399	\$1,479	-\$68	-\$133	-\$188
Special Needs Tuition	\$1,496	\$1,501	\$1,779	\$752	\$786	\$832	\$744	\$715	\$947
Miscellaneous	\$1,199	\$939	\$1,368	\$535	\$566	\$600	\$664	\$373	\$768
Books and Equipment	\$940	\$1,122	\$1,058	\$1,661	\$1,762	\$1,871	-\$721	-\$640	-\$813
Extraordinary Maintenance	\$0	\$0		\$878	\$932	\$985	-\$878	-\$932	-\$985
Total Non-Salaries	\$5,340	\$5,562	\$6,315	\$6,311	\$6,693	\$7,026	-\$972	-\$1,131	-\$711
Total	\$28,205	\$29,080	\$32,243	\$29,047	\$30,906	\$30,854	-\$842	-\$1,827	\$1,389
Revenues	\$146						\$146	\$0	\$0
Net School Spending	\$28,058	\$29,080	\$32,243	\$29,047	\$30,906	\$30,854	-\$989	-\$1,827	\$1,389

Note: Data obtained from DOE. Totals may not add due to rounding.





BRIDGEWATER-RAYNHAM REGIONAL SCHOOL DISTRICT
687 PLEASEANT STREET
RAYNHAM, MASSACHUSETTS 02767

TO: Department of Revenue Auditors
FROM: Ronald P. Gerhart, Superintendent
RE: Response to D.O.R. Audit
DATE: December 19, 2000

Please review the following for consideration with respect to your audit of the
Bridgewater-Raynham Regional School District.

Findings:

1. **p. 12 = Capital Expenditures by Towns**
RSD will refer \$10,000 capital expenditure threshold to School Committee counsel for inclusion into the regional contract.
2. **p. 21 = Reimbursement to Towns for School-Related Costs**
Documentation of and formal agreement for health insurance, county pension costs, and maintenance of school grounds will be secured from each town.
3. **p. 22 = Filling of FY 1999 End of year Report with Department of education**
Corrections to End of Year Report were submitted to the D.O.E. but not processed by D.O.E.
4. **p. 22 = Formal Written Procedures for Purchasing, Receiving, and Expenditure Cycles**
Packing slips are now being submitted to the Central Office by each building principal and/or department head. A list of personnel authorized to receive goods or services is available.