



What's New in Municipal Law Conference

September 23, 2021



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01

Transportation Payments during COVID

Transportation Payments during COVID

- When the pandemic began expectations were that we would return to school in May. As the situation developed the return was pushed back to June, and finally school was cancelled for the balance of the 2019-2020 school year.
 - As this played out meetings were held to assist districts dealing with their transportation vendor.

Transportation Payments during COVID (Cont)

- We understood there was a conflict with MGL Chapter 41 §56
- Most bus contracts didn't contain a force majeure
- Our Commissioner was encouraging districts to continue to pay staff and contractors when they could. The theory behind all of this was that vendors were expected to "maintain readiness" when school was back in session

Transportation Payments during COVID (Cont)

- Considering many districts contracted with the same vendor, we encouraged districts with the same vendor to collaborate and elect a negotiating team to represent districts. The goal was to amend contracts to include payments when schools were closed.
- While negotiations were continuing, legislation was considered allowing districts to pay transportation vendors when schools were closed.
- Legislation was passed allowing districts to pay eliminating the conflict with MGL C.41 § 56.

02

Regional School District Stabilization Funds

Regional School District Stabilization Funds

- M.G.L. c.71, §.16 G ½ provides for the establishment of stabilization funds by RSDs.
- The fund may be established through a majority vote of the school committee and a majority of the member towns.
- Member towns must take a specific vote to authorize the establishment of the fund—**one time vote**

Regional School District Stabilization Funds - Fund Deposits

- Once established, the school committee may include a line item in each year's budget to appropriate monies into the stabilization fund.
- This line item is part of the annual school committee budget and does not require a separate vote by the member municipalities

Regional School District Stabilization Funds - Increasing the fund

- After the annual budget has been approved, the school committee may increase the amount in the stabilization account through the use of E&D funds or through an additional assessment to member towns only by amending its approved budget.
- All amendments must be approved in accordance with CMR 41.05 (5).

Regional School District Stabilization Funds – Use of Funds

- In any given year, expenditures from the fund may be authorized by a vote of two-thirds of all the members of the RSD school committee.
- If the funds are to be used:
 - for a purpose for which the RSD is permitted to borrow, no additional approval is required.
 - for any other purpose (e.g. to cover unexpected increases in operating costs), then the approval of the **Commissioner of Elementary and Secondary Education** is also required



Regional School District Stabilization Funds – Expenditures & Balances

- Expenditures are made directly from the stabilization fund; a transfer into the general fund is not required.
- Unexpended balances in amounts authorized for expenditures close to the stabilization fund when the project or purpose is completed. The unexpended balance of the fund at the end of a FY carries over to the succeeding FY.
- Balances in the stabilization fund are not part of the district's general fund and do not impact the district's E&D calculation



Regional School District Stabilization Funds – Expenditures & Balances

- The amount budgeted in any FY may not exceed 5% of the aggregate amount assessed to the member towns for the preceding FY.
- At no time may the aggregate fund balance exceed 5% of the combined equalized valuations of the member towns.
- The RSD treasurer is the custodian of the stabilization fund and any interest earned must be added to and become a part of the fund.



03

Special Education Fund

Special Education Fund

- Chapter 218, § 24 of the Acts of 2016 provides for the establishment of a Special Education Reserve fund.
- The law enables municipal and RSDs to establish a reserve fund that can be used in future years for unanticipated or unbudgeted costs of special education, out of district tuition or transportation Expenditures are made directly from the stabilization fund; a transfer into the general fund is not required.

Special Education Fund – Establishing the fund

- In order to establish the fund the law requires a majority vote by both the school committee and local legislative body. For RSDs the local legislative body means a majority vote of the legislative bodies in a majority of the RSD's member towns.
- Once the fund is established, the school committee may include a separate line item in its annual budget to appropriate monies into the fund.
- For RSDs, the amount to be appropriated to the fund is included in each member town's assessment.



Special Education Fund – Balances & approval of expenditures from the fund

- The balance in the fund cannot exceed 2% of the District's actual NSS.
- Funds can only be expended or transferred out after a majority vote of both the school committee and selectmen or city council.
- For RSDs, approval must include a majority vote of the boards of selectmen or city councils of a majority of the RSD's members.

04

Regional Transportation Reimbursement Fund

Regional Transportation Reimbursement Fund

- Chapter 233 of the Acts of 2014 states that “Regional school districts may establish a Regional School Transportation Fund. Reimbursements made by the Commonwealth pursuant to this section may be deposited into the fund and may carry forward for one fiscal year.”
- Regional School Committees must vote to establish the fund.
- Once established the school committee can decide if any of the current fiscal year’s reimbursements can be deposited into the fund.

Regional Transportation Reimbursement Fund

- Amounts deposited into the fund can carry forward for one fiscal year
- Amounts carried forward must be used in the subsequent fiscal year. Any balances remaining from the previous fiscal year at the end of the subsequent fiscal year must be closed out to the district's Excess & Deficiency Account.
- Amounts in the fund may only be expended for school transportation expenses.
- Expenses charged to the fund are considered local expenditures for reporting purposes.

THANK YOU

 781.338.6594

 www.doe.mass.edu

 johnj.sullivan@mass.gov

 75 Pleasant Street, Malden, MA 02148

