

**MASSACHUSETTS ASSOCIATION  
OF SCHOOL COMMITTEES**

**GETTING READY FOR A  
DIFFICULT BUDGET-SETTING  
PROCESS**

**A Guide for School Committee  
Members to Deal with the  
Fiscal Crisis**

[Including a list of state and federal unfunded and inadequately funded educational mandates]

**March 2009**

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MASC has prepared this brief guide for our members who are confronting perilous economic challenges for their school districts.

We have included the following items in this document:

1. A legal update from MASC General Counsel Stephen J. Finnegan that explains the process and responsibilities of school committees, town meetings, and city councils relative to making reductions in budget appropriations. This responds to school committees who will need accurate information on how and when a municipality may reduce an appropriation for schools once the fiscal year has begun.
2. Tips for conducting the budget process and recommended practices to use in making the hard decisions needed to balance your school budget. This includes some ideas for managing a budget in a crisis. We do not recommend that you adopt any particular recommendation, but we strongly urge that you consider them and determine what is best for the children in your district based on local issues and conditions.
3. Talking points to use in your community and with the media to explain why you have adopted your budget recommendations. It is our intent to help you get through your finance committees, city councils, town meetings and even override votes.
4. A list of unfunded mandates to demonstrate why, among other reasons, the cost of public education increases faster than inflation and to focus on the state's extraordinary regulatory burden and level of responsibility put on school districts to educate children in 2009.

MASC will continue to develop and refine these recommendations and to update our members with thoughts and ideas from school committee members. We welcome your comments and urge that you send them to us directly electronically to [gkoocher@masc.org](mailto:gkoocher@masc.org). (Please use "Budget Recommendations") in your e-mail heading.

## LEGAL BULLETIN

**TO: SCHOOL COMMITTEE MEMBERS AND SUPERINTENDENTS**  
**FROM: STEPHEN J. FINNEGAN, ESQ.**  
**RE: MID YEAR REDUCTIONS IN SCHOOL DISTRICT BUDGETS**  
**DATE: JANUARY 26, 2009**

MASC has received many questions recently concerning the effect that cuts in fiscal year 2009 may have on the current year budgets of school committees. In order to clarify the legal issues concerning possible mid year budget cuts I have shared a draft of this document with the Department of Elementary and Secondary Education and their positions on this matter are reflected in this memorandum.

### **IN TOWNS**

Only town meetings (not selectman or finance committees) may reduce the school department budget. Such reductions may only be made to the bottom line, not from specific line items within the total budget. M.G.L.c.71, Section 34.

### **IN CITIES**

The city council may make reductions in the bottom line but only as part of a general reduction in all departments. If the reduction in the school department budget is for the purpose of transferring funds to another department, it can only be accomplished by vote of the school committee as provided in Chapter 44, Section 33 B.

### **IN REGIONAL SCHOOL DISTRICTS**

The regional school district budget, at any time after its adoption, may only be reduced by the regional district school committee (M.G.L.c.71, Section 16B). If state aid paid to the region is cut, the committee must either reduce the budget, use budgeted reserve funds (if sufficient) or seek supplementary assessments from the member communities.

It should be noted that any potential mid year budgetary reductions are subject to the minimum required local contributions and net school spending requirements of Chapter 70.

**CONDUCTING YOUR BUDGET PROCESS:  
THINGS TO REMEMBER WHILE PLANNING AND APPROVING YOUR BUDGET**

1. **Prioritize services that serve students** in classrooms and schools. In other words, put the students before all others in priority order. However, note that administrative costs are an important and necessary part of educational services. (See talking points, below.)
2. Try to **preserve some element of vulnerable programs as opposed to eliminating them entirely**. If you retain the program, it will be easier to rebuild it in better times. If you eliminate it, it can be much harder to recreate it.
3. **Brainstorm about possible cost saving initiatives** including some of the common strategies (energy savings; building fuel audit; transportation coordination; limiting wage and benefit costs; restructuring health insurance; imposing fees.) and others that are innovative or “outside-the-box” (outsourcing; coordinating with municipal purchasing and multi-district collaboratives; making better use of collaboratives; etc.)
4. **Rely on the work of the superintendent** and administrative team to identify areas of cost savings. You pay them to do this work and to shield you from some of the tough initial decisions. It’s better to have a well reasoned proposal from the superintendent than a surprise from the school committee floor that might sound great in theory but won’t work in practice.
5. **Ask questions if you believe there are ideas and strategies not recommended** by the superintendent. Sometimes ideas are left on the table in the central office, but these ideas or recommendations may be worthy of discussion. If you believe a worthy idea or an alternative strategy may be viable, raise it during the budget process and pose your questions.
6. **Use your budget hearing to get your message out:** these are tough times and we will need the understanding, support, and advocacy of the public to ensure an open process and the best possible outcome now and later.
7. **Think about the short and long term of all your collective bargaining decisions** since the implications of those decisions may not be felt until the start of the next or future fiscal year(s). Districts should consider attempting to re-open current agreements in order to reduce costs and save the positions of educators serving students in classrooms. These issues are best discussed in the confidentiality of the bargaining strategy sessions that may take place during the budget deliberations
8. **Be wary of “solutions” that simply defer costs for later.** There will come a day of reckoning for such measures. Some examples have included:
  - a. Introducing sick leave buy-back as an alternative to a pay increase.
  - b. Giving contract language concessions that will involve costs later in exchange for lower salary increases.

9. **Resist the temptation to make financial decisions at the same meeting at which you hear the public** – you may need time to let the dust settle and to reflect on the most appropriate actions rather than act in the emotion of the moment. Act thoughtfully, not necessarily quickly.
10. **Watch out for the unseen strings attached on seemingly free items that appear to have no cost implications.** For example, something may have no cost items this year, but you may have to absorb them in the future. Gifts of equipment, including technology hardware that you may have to supply and maintain.
11. Be sure to **put your budget decisions into written policy** so that there will be clarity and minimal ambiguity about what your intents are. You will want the public to understand why you made a cut, or what you want the outcome to be.
12. **Be cautious in considering gifts that have the effect of protecting programs from being cut** or using money from PTOs or other groups to preclude personnel, program or service cuts. In some instances, you may be establishing a precedent of allowing certain parents or groups to purchase public policy priorities. The school committee may, however, feel these gifts are appropriate. It is the board's decision to make, but it should be made after reviewing the options and implications.
13. You will be making many painful, difficult and emotional decisions. Remember that teachers, parents and students are not objective when the subject is their job, their child, their school, or their money. **Be extraordinarily careful to maintain the highest level of discussion**, even in the face of emotional testimony, pleas, shouts, and even threats. Individuals will often say things at public meetings they will regret within seconds, hours, or days but the damage of these intemperate remarks can not be easily undone. Don't be that person whose words ruin relationships or reflect poorly on the board, the school district, or the community.
  - a. **Avoid using students or faculty members as props** and don't allow others to do it either. During a budget debate, faculty and parents may try to use their children to add to the emotional power of their arguments. This both annoys the school committee and may back-fire on the advocates. It lowers the integrity of the debate and also risks giving up the confidentiality to which students and faculty are entitled. Often parents or faculty do not realize that, in testifying publicly or in creating a public demonstration, they are risking their own confidentiality or that of their children or students.
14. **Master your budget details before you head off to the city council or finance committee and town meeting.** You will help your cause if you are familiar with it and can advocate for it.
15. **In regional district budgets, separate out your "fixed costs" that represent line items for which regions are fiscally responsible but for which local city and town districts may not have to assume directly.** For example, health insurance, retirement related expenses, workers' compensation, utility bills, snow removal, and some transportation costs may not be part of a city or town school district budget but are always part of a regional budget. You will need to explain this to the town meeting members of your regional member communities.

## **IDEAS FOR MANAGING BUDGETS IN CRISIS YEARS**

MASC works with our colleagues across the country and in Canada where the impact of the fiscal crisis is equal to or more severe. Here are some of the ways we and they are considering to get through the budget crisis.

Key areas for scrutiny during a tough budget year:

- Class size policy that affects the number of classrooms in use or grade configurations within and among schools.
- Employee related health insurance costs and participation in the Group Insurance Commission or other health benefits trust programs. This also includes structuring benefits, deductibles, copayments, and retiree benefits.
- Controlling escalating special education costs by rethinking in-district and out-of-district placements.
- Purchasing of supplies and fuel more efficiently or by using collaborative, cooperative, or other form of group) purchasing.
- School transportation services and school bus scheduling.
- School maintenance costs
- Energy cost initiatives and building energy audits
- Reduction of redundancy in administration and operational areas.
- Using technology for cost savings, including virtual high school and on-line learning.
- Using your education collaborative more effectively.
- Defer purchases that are not essential.
- Outsourcing services that are provided less expensively.
- Reviewing of building use efficiency.
- Adopting fees for building use and program participation.
- Leasing unused space for an appropriate purpose (local community college evening program; private meetings, etc.)
- Adopting early retirement incentives to eliminate positions or replace retirees with less senior, lower salaried individuals.
- Revising your school calendar and daily schedule (i.e., start early, close late, shut down schools in coldest part of year to save on fuel as is done in some very frigid states).
- Explore district structure to consider expansion, consolidation, grade configurations or superintendency unionization if it will work for you.

## **TALKING POINTS TO YOUR LOCAL OFFICIALS AND COMMUNITY AT LARGE**

No stranger can walk into your district and know the social and political culture or the people as well as those who live there and know it well. Your school committee should brainstorm talking points that will support your budget.

Most people outside of public education do not know the buzzwords, acronyms, or insider terms that educators use when they speak to each other. NCLB, Chapter 70, SPED, Title I, foundation budget, charter cap, and other terms are familiar to many of you, but not to others. Be careful to avoid them when you address the public, finance committee, town meeting, city council or even the state legislature. Don't leave them out of your discussion in public.

Finally, when you appear before a public meeting, you may have as little as 15-30 seconds to convince an audience from your tone and content that they should pay attention to you. Do not ramble, be focused, speak up, respect the time of others and spend words as you would spend money. If you start to ramble, they'll tune out immediately!

### **Below are some examples of successful talking points defending school budgets.**

It is always helpful to provide local officials and the public an explanation of the budget, the decisions that went into it and the way the school committee arrived at the final proposal.

Cost-Efficient services can also be high quality services. Do not assume that you are cutting quality by controlling costs. Our budget stresses quality which is responsible, manageable, and wise in the long term.

We have developed our budget with the students first in our mind. We have made the hard reductions and done everything we can to preserve the quality of classroom instructions.

We have the nation's highest regulatory burden for schools and this has cost implications with it.

Nationally, inflationary costs for public schools is 60% higher than the general consumer price index. Items like health insurance, retiree benefits, and the growing mandates for special education and other services impose heavy costs on public education.

Level funding does not mean level services. In fact, level funding will generally mean a moderate to severe decline in services because of inflationary costs.

Be prepared to defend the natural inclination for critics to say that the school administration costs are too high. Remind individuals of the regulatory compliance, administrative responsibilities, daily operational tasks, discipline, and assistance to parents that administrators provide.

Point out to local officials, media, and the public at large the implications for the proposed budget and future reductions (i.e., specifically, the programs that will be cut if the budget is not supported or reduced further).

## **STATE EDUCATION MANDATES – Partially or Unfunded Requirements**

Many laws, initiatives and requirements that may have been well intended, from a multitude of governmental agencies create “un-funded mandates” at the local level. These mandates must be coupled with adequate and sustainable funding sources. Often local mandates required by the state are attributed to federal requirements. The cause and effect of these growing local burdens and links to their funding support are a frustrating source of conflict to state / local harmony and cooperative efforts.

Several years ago the Massachusetts Association of School Business Officers (MASBO) reported on this issue and the points made are incorporated in this document. The MA Association of School Superintendents and MASC have also included items listed below.

### **General Overview of the General Regulatory Requirements with Cost Implications**

The largest legislated program to fund public education, known commonly as the Chapter 70 funding system, does not cover in full the cost of mandates inherent in the law and regulations. The system remains essentially as it was at the start of the Education Reform program in 1993. The reimbursement formula has been modified somewhat and annual funding has increased significantly, but school districts have for many years had to budget for expenses that outstrip both the rate of inflation and the state’s ability to grow state aid to education faster than the cost-of-living for schools.

In addition to funding shortages, some of the mandates that districts must address are:

- Time and Learning standards that required some districts to expand time spent on classroom instruction.
- Curriculum frameworks that have been established in seven areas, requiring new and expanded areas of educational activity.
- Implementing, adhering to, or complying with any one of the 15 assessment, accountability and accreditation systems that were created by Education Reform or imposed by the Department of Elementary and Secondary Education or the US Department of Education, including No Child Left Behind<sup>1</sup>. Superintendents have

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<sup>1</sup> These systems include

1. No Child Left Behind where, right now, there are 54 ways (minimum) for every school and district to be declared “underperforming.”
2. MELA-O (MA English Language Assessment- Oral), and
3. MEPA (Massachusetts English Proficiency Assessment).
4. MCAS General Testing in Math and Language Arts at several grades and on several topics.
5. Audits from the successor entity to the Education Management Audit Council whose functions have been moved to the Department of Elementary and Secondary Education.
6. DESE Assessment/Accountability Implementation (described in regulations rushed to approval two weeks before the 2006 election).

Coordinated Program Reviews which include seven audits:

7. Special Education Program Audits to measure compliance with the Massachusetts special education statutes (“Chapter 766”) and the federal Individuals with Disabilities Education Act (IDEA) provisions.
8. Civil Right Audit
9. English Language Learners Audit;
10. Safe and Drug Free Schools Communities Act;
11. Nutrition and Food Services;
12. Title I Program Review (General and NCLB).

estimated that the growth of compliance mandates has expanded ten-fold and one estimate is that every educator in a public school spends as much as 160 hours per year on pure compliance requirements that are not classroom instruction or preparation for teaching.

- The Department of Education has produced a list of 106 reporting requirements (the "checklist") that are required of superintendents each year.
- Federal regulatory compliance is an added burden as districts fulfill obligations to No Child Left Behind and the Individuals with Disabilities Education Act.

**Massachusetts superintendents, School committee members and school business officers have compiled a partial list of mandates that are listed below:**

**Regular Education**

Provide free and equal (and appropriate) education to all students from kindergarten through grade 12. We believe that Chapter 70 is underfunded by about \$1.6 billion that would be required to provide necessary and mandated services.

**Special Education**

Districts must provide education to special education students from age three to age twenty-two. This must be done in the least restrictive environment.

The cost of providing assessments, evaluations, and specialized instructional services exceeds the funding provided by federal and state sources. In addition, non-instructional services within the review and appeal processes such as arbitration, mediation, and hearings result in extraordinary costs to the district. The personnel, administrative, and technology costs inherent in the delivery of appropriate services are exorbitant. Individual Education Plans dictate where a student must go to school, requiring outplacements and special education transportation.

**Special Education Transportation**

Currently, about \$165 million in mandated but unreimbursed transportation costs are incurred by school districts for students in special education programs.

**"504 Services" For Physically Disabled Students**

School districts are required to provide students with disabilities with accommodations that will assist in their learning according to federal law. This may include any disability that is not covered by special education. Teachers must accommodate all needs written into a student's "504 plan." State and local options are constrained.

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13. Chapter 74 Vocational Program Audits
  14. Accreditation (an 18 month process) by the New England Association of Schools and Colleges
  15. National Assessment of Educational Progress (NAEP).

## **Transportation to School for the General Student Population**

Districts are required to provide transportation to all students in grades K through 6 who live two miles or more from the school. Regional districts receive transportation reimbursement for about 85% of these costs, but municipal school district aid was eliminated during lean budget years and has not been restored.

## **Administrative Mandates with Cost Implications**

In addition to the 15 systems identified above, other mandates with cost implications include:

- Criminal records checks for all staff having unsupervised contact with students and other school employees.
- Emergency evacuation plans add training time, signs, posters and other means of alerting.
- Title I Requirements for costs associated with delivery of services and the reporting and documentation requirements often exceed funding.
- Crisis Prevention Intervention (CPI) training – requires that the district provide training for instructors who then instruct a majority of staff members in techniques to de-escalate student crises. Associated costs are incurred to hire substitutes for classes whose teachers are required to participate in training.
- Pre-school requirements – Districts must ensure that they provide integrated (ratio of regular and special education) settings for all students in accordance with the regulations of Early Education and Care. The requirements for assessment, evaluation, and provision of services are costly.

## **McKinney-Vento and Costs Associated with Homeless and Transient Students**

This component of No Child Left Behind requires that schools accept any homeless student who wishes to attend the public school. In addition, McKinney-Vento requires the school district to transport any homeless students living in town to the schools in their old home district.

## **Services to English Language Learners**

Provides required ELL services to all students who are not fluent in English. Specially certified teachers must provide this service. There are educational materials and testing costs associated with the ELL services that are provided.

- All classroom teachers who service ELL students in their classrooms must have ten hours of training each year until they fulfill a requirement of 50 hours of training.
- All communications that need to be sent to the homes of all students (not just ELL) whose parents do not speak English as their first language must be translated into their native languages.

- ELL training is required even when only one (1) student in the district is an ELL student.
- Districts are required to provide Sheltered English Immersion services for students whose first language is not English. Districts are responsible for developing procedural manuals, forms, parent outreach, interpreters, and translation of documents. Districts are also required to provide Sheltered English Immersion training in Categories 1, 2, 3, and 4 for all staff who work with English Language Learners. All levels and types of services as provided for English-speaking students must be provided for ELL students in their primary language. Every student whose first language is not English is required to be assessed, to determine language proficiency upon registration and admission to the public school; stages of language acquisition need to be determined in order to identify the level of services required for each student. Students must also be supported by staff members in order for them to participate in Massachusetts English Language Acquisition – Oral (MELA-O) and Massachusetts English Proficiency Assessment (MEPA) in reading and writing as well as the MCAS assessments.

### **Home Schooling**

The district must monitor and document all home-schooled students. This includes identifying families and reviewing detailed home schooling plans for compliance with state guidelines. Though school districts are required to provide this oversight there are not funding or reporting requirements to or from the state.

### **MCAS Testing**

MCAS testing is required annually in grades 3 through 10. Students must pass the grade 10 testing in math and English in order to graduate from high school. All students must be proficient in English/Math by 2014, requiring needed extra help and extra time on task to meet this goal. District must continually upgrade the curriculum to keep up with the testing.

- Districts must provide special tutoring for students who do not do well in the testing and must track and contact non-graduates if they fail MCAS. This requires guidance time and mailings.
- The costs for instructional time and funds associated with the preparation for, documentation for, administration of, and reporting about the multiple assessments in grades 3-10 are difficult to quantify.

### **Curriculum**

Frameworks. Districts revise and create new curricula to conform to the state curriculum frameworks and demands for timely update as the revises and updates frameworks on a regular basis. This work must be done after school and during the summer. Instruction hours must provide at minimum 990/900 hours of instructional time.

Individual Student Success Plans. Districts are required to deploy administrative, teaching, secretarial, guidance, and technology staff and resources (including but not limited to intervention programs in ELA and Math) to ensure that students receive additional support services that address individual student needs as a result of statewide assessment

mandates (MCAS). Instructional support and resources such as texts, workbooks, and online instruction are examples of areas that require increases in expenditures.

Curriculum Requirements. The Massachusetts Curriculum Frameworks require that districts provide additional instructional staff (e.g. health teachers and guidance staff) to ensure that all curriculum areas are addressed. The periodic review and alignment of every curriculum area requires substantial investment in time (including committee review, curriculum development, printing and dissemination of curricula) and resources (texts, consumable items, and online access).

The length of the school year (180 days) requirement impacts costs incurred for snow and ice removal and climate control in multiple buildings.

## **Residency**

Residency waivers and concerns arising from private entities such as sports boarding facilities within district boundaries and the implications of the McKinney-Vento Homeless Act impact district budgets (also see above). Sports boarding camps attract players from various towns, states and countries. Local districts are required to educate said students without regard to tuition payments because residency statutes state that if a student is not at such a facility "solely for the purpose of education," they are allowed to attend at no cost to the student.

- Residency also becomes an issue when a residential special education institution is located in a Massachusetts community. Students admitted to that institution sometimes attract the family, or a guardian member of the family, to relocate to the community for purposes of being closer to the resident student. This includes formerly out of state as well as in-state residency shifts and families with multiple residents. Such shifts determine assignment of costs to the host resident community.
- While there is local control on the admission to kindergarten there is a great deal of differentiation of starting age. Under choice students may be entered into a district at an earlier age and then require placement at the resident school district.

## **Vocational Education**

School districts allow students to attend out-of-district vocational schools when programs are not offered in the regional district to which the local district belongs. Unlike the Charter School Reimbursement, there is no apparent reimbursement for vocational placement, though the vocational student, like the charter student, is counted in the Foundation Budget of the sending district. In addition, school districts are required to transport these secondary students to the schools of their choice. There is only partial (up to 50%) reimbursement for vocational education transportation.

## **School Choice**

This program requires all school districts to admit students from other districts in the state unless the host school district takes action to restrict or prohibit accepting non-resident students from other Massachusetts school districts.

- Admitted choice students' siblings are thereafter entitled to enrollment in the school also, even when there is little or no space for new local students to enroll. Districts

losing students to choice have no control over the students who choose to leave and are charged for the cost of those students as assessments on the Cherry sheet.

- With declining enrollments and constraints on local funds, it is expected that this “free-market-choice” of school districts will expand causing a drain on resources from more vulnerable school districts. This will have an affect on the capacity to address issues for low-income school districts often having the neediest students.

### **Charter Schools**

School districts have no control over students who wish to attend charter schools rather than the local district and local residents have no say in how these schools operate or how their tax dollars are used unless they happen to be selected by the charter school to serve on its board of trustees. In other words, charter schools operate outside the reach of city, town, and regional government.

- Many persuasive arguments have been made to demonstrate such counter-intuitive outcomes as lower numbers of special education students enrolled, the virtual absence of limited English proficient students, and the ability of charters to transfer students out of their school back to the public school district.
- We believe that the current charter school funding formula is unreasonable because it draws away from a city or town (or region) chapter 70 allocation

### **Staffing**

Professional Development - with the enactment of Education Reform, all teachers and other professional staff must be re-certified every five years. The district must provide professional development required for re-certification, with no cost to the individual employee.

Highly Qualified Staff – this requirement is a mandate that ensures employment of and reporting on highly qualified staff members and requires a substantial investment of time and money at all school levels. In many cases, there is insufficient guidance for districts that enables administrators to assist teachers and professional staff to meet the requirements established by DESE. (For example, appropriate licensure and completion of a designated number of courses is required for teaching assignments for which licensure may not exist at this time.)

### **Foster Care & State Wards**

Districts are required to educate students who have been placed by the state in foster care and state ward settings. If a student has special needs, the town is responsible for that student’s education, even if the student is enrolled in a day or residential school that is not in town.

- Districts are also responsible for the transportation for the student. However, the local district is only responsible for regular day/vocational education of these pupils. When that student requires special education, which cost can be billed back to the district from which the student came.

## **Grant Percentages of Federal Grant Funds to Private Schools**

School districts are required to give a percentage of grants funded under the No Child Left Behind Act to all private schools whether or not our students attend the schools. The percentage is based on total school and district populations. The district must provide reading services from its Title I grant to all schools within the state that our students attend if the schools meet certain criteria.

## **SIMS & EPIMS**

The state requires that each district have software in place that will allow districts to report data on all students and staff in a format that is compatible with the state databases. This process has been very time-consuming and costly to districts for training and updates.

With EPIMS, the labor and technology costs of providing the information to DESE are significant. Many hours are required to collect and verify information, upload it to DESE, and continually review to ensure accuracy. Administrative costs are incurred to complete the Teacher Quality Improvement Plan (TQIP) and update information. In addition, significant time is consumed by communicating with teachers and administrators to ensure validity of reporting.

With respect to SIMS, it must be recognized the reporting requirements consume significant secretarial hours and require extensive technology fund investment in terms of hardware (administrative computers) and reporting systems (student software programs). There are multiple reports required during the course of the school year.

## **Reporting & Auditing**

The school district must provide timely reports to the state throughout the year. There is a financial end-of-year report that takes a great deal of time to prepare. An outside auditing firm must audit this report each year.

## **Student Activity Accounts**

In a town it is required that these funds be kept in accounts under control of the Town Treasurer. The funds are deposited in an agency fund. Each school has a checkbook that allows the school to keep a small amount of cash to pay bills as needed. The checking accounts are reimbursed through a system that requires them to complete a form for reimbursement and attach the documentation. This is sent to the Business Office for verification and then sent to the Treasurer's Office. These accounts must have a minimum of an internal audit yearly and an audit from an outside firm every three years. The town auditors perform a yearly audit on these accounts. Although this allows for more accountability, it adds a great deal of time to the workload of existing staff to monitor and process the transactions.

## **Unexpended Education Funds**

Massachusetts local school districts are required, unlike as in many other states, to return, at the termination of each fiscal year, unexpended/unencumbered funds to the municipality's general fund. This requirement is counter to stimulating incentives for school districts to find creative ways to generate savings throughout the fiscal year. Municipalities often conclude that funds, which are returned at the end of the fiscal year, is misinterpreted

as evidence that the school district did not really need said funds. School districts are not permitted to establish rainy day funds.

### **Technology**

Each year, the district must have a technology plan. An annual report must be sent to the state indicating how the district is using technology to teach, how much is being spent and what the district plans to spend in the future. There are technology benchmarks that must be met by students at each grade and all students must meet state-defined technology proficiency by the end of grade 8. The development of technology plans (incorporating professional, administrative, and community personnel), the recommended student to technology (computer) ratio, and the ratio of technology personnel recommended for districts, directly affect school budget development.

### **Building Maintenance**

Districts have a requirement to spend a minimum amount to maintain buildings and are required to pay "union scale" otherwise know as "*prevailing wage*," on projects for repairs and maintenance when done by an outside contractor. This mandate results in higher costs for many skilled trade services.

The following is a list of annual inspections and tests required by the state for maintenance of buildings:

- boiler inspections;
- air tank inspections;
- fire alarm tests;
- fire suppression tests (kitchens);
- fire extinguisher tests;
- elevator & chair lift inspections;
- under-ground tank inspections/replacements,
- drainage back-flow controls,
- stage rigging inspections;
- Integrated Pest Management Plans (use of pesticides) including community notifications;
- fire sprinkler tests; and
- Asbestos inspections.