



## DISTRICT AND SCHOOL FINANCE Guidance on Municipal Approval of a Regional School District Budget **March 2025**

The following guidance is issued in response to questions we have received concerning the appropriate manner in which a regional school committee's (RSC) adopted budget is to be voted on by the member municipalities of the regional school district (District).

Massachusetts General Laws (M.G.L.) and Regional School District regulations contain requirements related to the obligation of an appropriating authority of a member municipality of a regional school district to act on the RSC's budget. This Guidance is provided to clarify these requirements and to remind all stakeholders that the appropriating authority of each member municipality must be given the opportunity to vote on the RSC's adopted budget and its assessment as certified by the RSC's treasurer.

M.G.L. c. 71, § 34 requires that "[i]n acting on appropriations for educational costs, a city or town appropriating body shall vote on the total amount of the appropriations requested and shall not allocate appropriations among accounts or place any restriction on such appropriations." M.G.L. c. 71, § 16B states that "[t]he annual regional school district budget as adopted by a two-thirds vote of the regional school district committee shall require the approval of two-thirds of the local appropriating authorities of the member municipalities." In accordance with 603 CMR 41.05(2)(a), "[t]he budget as adopted by the regional school committee and the member's assessment as certified by the treasurer of the regional school district, shall be placed before each local appropriating authority for its consideration." In the event local appropriating authorities initially reject the RSC budget, M.G.L. c. 71, § 16B further outlines the process for the RSC and member municipalities to reconsider the budget and states that "each member municipality shall hold a meeting of the local appropriating authority to act upon the appropriation of the budget so reapportioned and recertified to it."

The clear language of this legislation gives the authority to consider and act on the approval of a regional school committee's adopted budget to the appropriating authorities of the member municipalities. Such authority was not provided in law to select boards or finance committees. To ensure that the appropriating authorities of member municipalities can consider the approval of the RSC budget and their certified assessments, local officials are obligated to place the District's budget as adopted by the RSC and the member's assessment as certified

<sup>&</sup>lt;sup>2</sup> The District treasurer is required to certify the assessments provide the certified assessments and a copy of the RSC's adopted budget to local officials. See M.G.L. c. 71, § 16B.





<sup>&</sup>lt;sup>1</sup> The budget and/or member assessments must be approved by 2/3 of the member municipalities if assessments are calculated pursuant to the statutory method, and unanimous approval of the member municipalities is required if assessments are calculated pursuant to the alternative method. An alternative method may only be used if it is outlined in the approved regional agreement.

by the District treasurer before the local appropriating authority, that is, the city or town council or town meeting, for its consideration and vote.<sup>3</sup>

Each school district in the Commonwealth is required to meet its Net School Spending requirement. Failure to comply with Net School Spending requirement may result in non-approval of a member municipality's tax rate, loss of state aid, or enforcement action by the Attorney General. Ensuring that the appropriating authorities of the member towns vote on the budget and assessments as proposed by the RSC enables the appropriating authorities to consider the carefully determined recommendations of RSC officials. Ensuring the appropriating authorities have the opportunity to vote on the RSC's proposed budget and assessments promotes transparency and may prevent the need for the appropriating authorities and the RSC to hold multiple additional meetings, often at significant cost.

Should a local appropriating authority of a member municipality fail to approve the RSC's adopted budget and/or its assessment, <sup>4</sup> the local appropriating authority should, consistent with city or town council or town meeting procedures, consider a vote to appropriate an amount allowing the District to continue operations. However, an affirmative vote for a lower appropriation than that requested by the RSC does <u>not</u> constitute approval of the RSC budget. If sufficient positive votes from member municipalities are not secured on the proposed RSC budget and/or certified assessments, the RSC must reconsider the budget in accordance with the timelines and process outlined in M.G.L. c. 71, § 16B and 603 CMR 41.05. Any alternative appropriation(s) voted by the member municipality(ies) may be considered by the RSC when it reconsiders the budget.

Finally, if the RSC does not secure a locally approved budget for an upcoming fiscal year before July 1, the Commissioner of Elementary and Secondary Education must establish an interim 1/12th budget. In that event, each member municipality will need the authority to pay its temporary assessment under the 1/12th budget to allow the District to operate until such time as the local budget is approved by the required number of member municipalities. Accordingly, if the appropriating authority of a member municipality initially rejects the RSC budget, it is in its interest to consider and vote on an appropriation to pay such a temporary assessment.

Additional DESE guidance on RSC budgets may be found at: <a href="https://www.doe.mass.edu/finance/regional/">https://www.doe.mass.edu/finance/regional/</a>. For more information, please contact <a href="Michelle Griffin">Michelle Griffin</a> or <a href="Christine Lynch">Christine Lynch</a> in the Office of Regional Governance.

<sup>&</sup>lt;sup>3</sup> In addition, the superintendent of schools must be allowed to address the membership of local appropriating authorities regarding the RSC budget when it is being considered by these bodies and prior to any action on the RSC's proposed budget and assessment. See M.G.L. c. 71, § 34 and M.G.L. c. 71, § 16B.

<sup>&</sup>lt;sup>4</sup> A vote by the local appropriating authority to appropriate the member's assessment shall constitute approval of the RSC's budget. See 603 CMR 41.05(2)(a).

<sup>&</sup>lt;sup>5</sup> See: Fiscal Intervention and Oversight – Guidance for Regional School Districts.