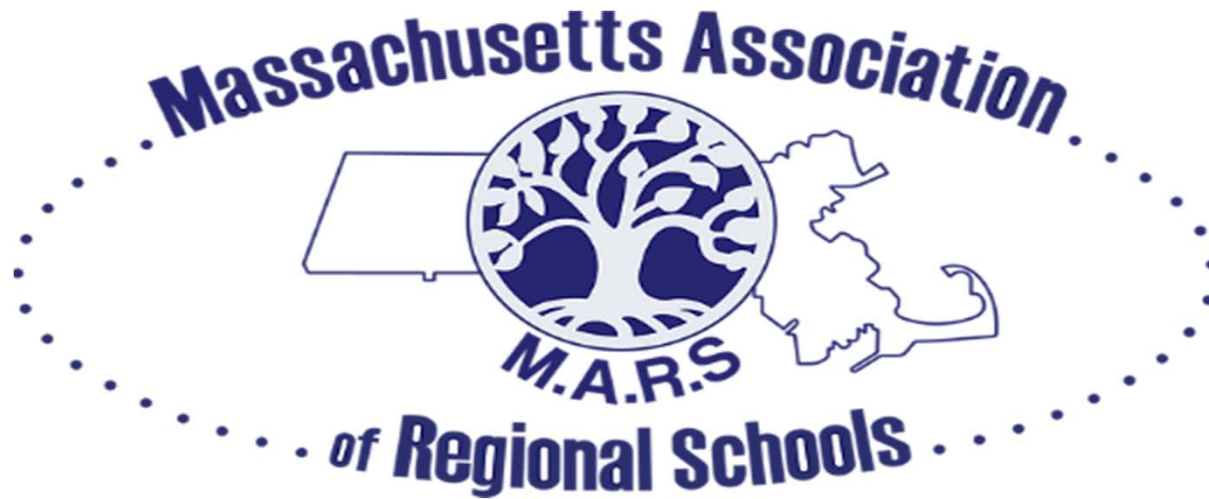
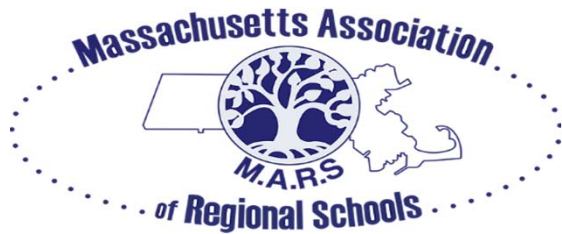




**Berlin-Boylston Regional School
Committee
October 24, 2023**



Workshop Series Goals

**Budget
Development
Best Practice**

**Engaging
Stakeholders**

**Funding the
Budget**

MSBA



Agenda

- Introductions
- Goals
- Building Your Budget
- Engagement and Communication Strategies
- Understanding Revenue Sources
- Understanding Assessment Calculations
- Understanding the State Budget Process
- Town Revenue
 - Town meetings
 - Proposition 21/2
- MSBA Funding for School Buildings, Roofs, Windows and Boilers
- Other opportunities for professional development



Incremental vs. Zero-Based Budget Development

Incremental Budgets

- A budget approach that assumes the starting point for each budget item is the amount spent on it in the previous budget
- Only incremental changes (+/-) from the previous budget are examined in detail

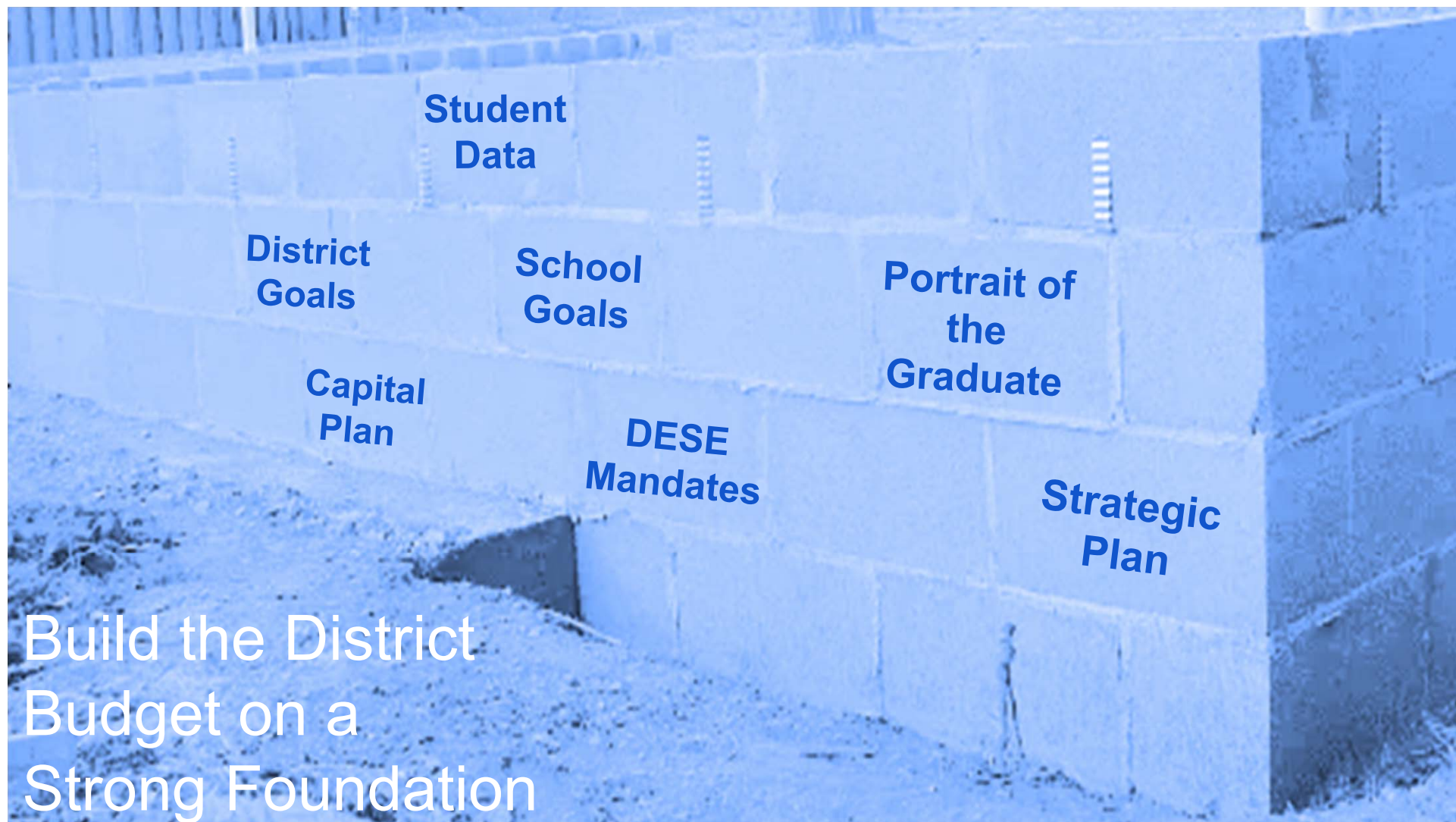
Zero-Based Budgets

- Each line item is set at zero each year
- Essential feature is a review of the necessity of each expenditure
- Complex and labor intensive

Many districts successfully use a budget development approach that is a hybrid of incremental and zero-based



The educational leadership team thoroughly analyzes a number of complex factors to bring a sound, financially responsible budget proposal designed to meet the needs of all students to the school committee for approval.



**Student
Data**

**District
Goals**

**School
Goals**

**Portrait of
the
Graduate**

**Capital
Plan**

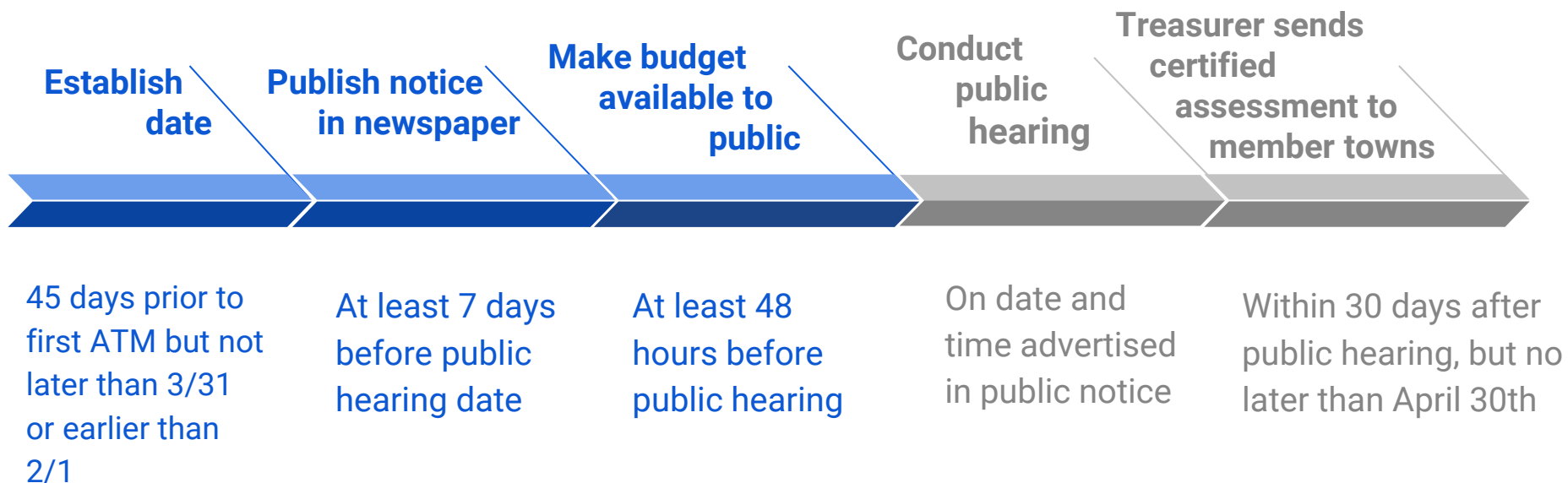
**DESE
Mandates**

**Strategic
Plan**

**Build the District
Budget on a
Strong Foundation**



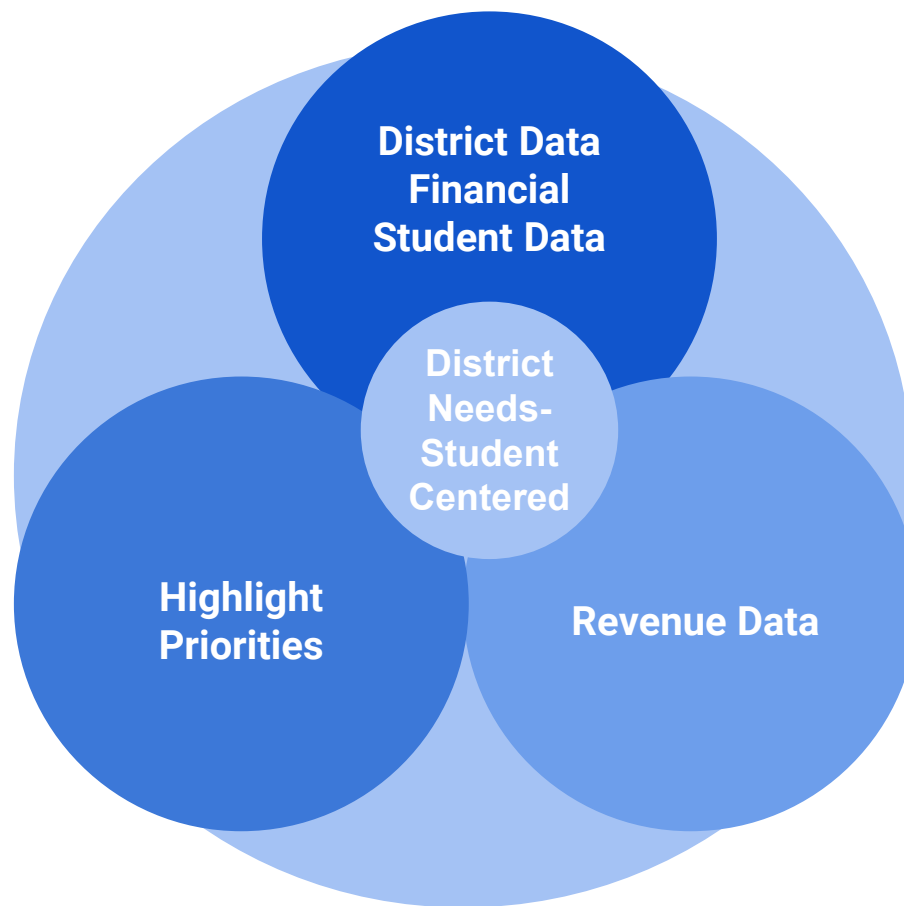
Public Hearing Timeline



References: [Massachusetts CMR 41.05 Regional School District Budgets](#)
[MGL Chapter 71 Section 38N](#)



Public Hearing Presentation





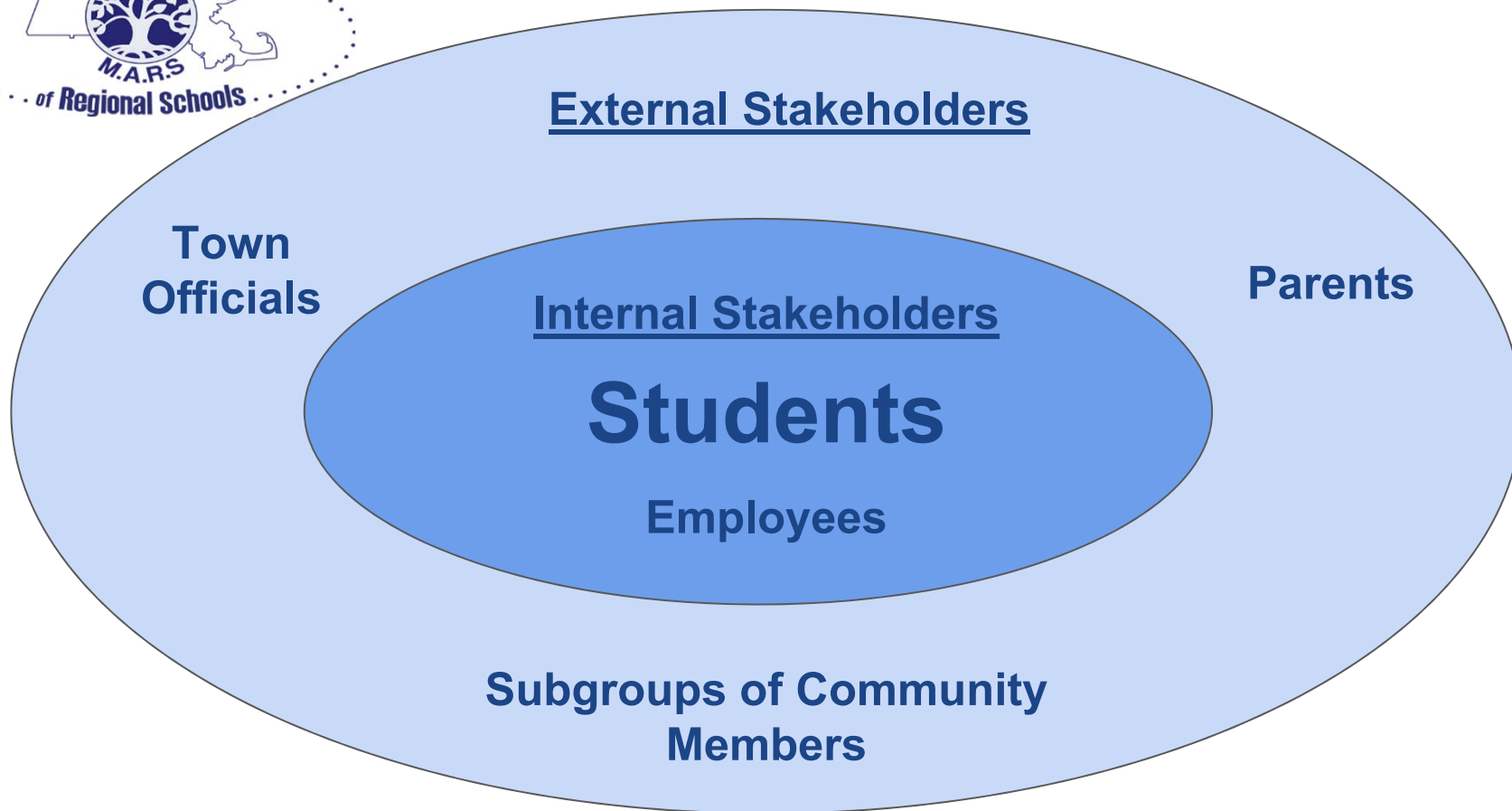
Amending The Budget Before Town Meeting

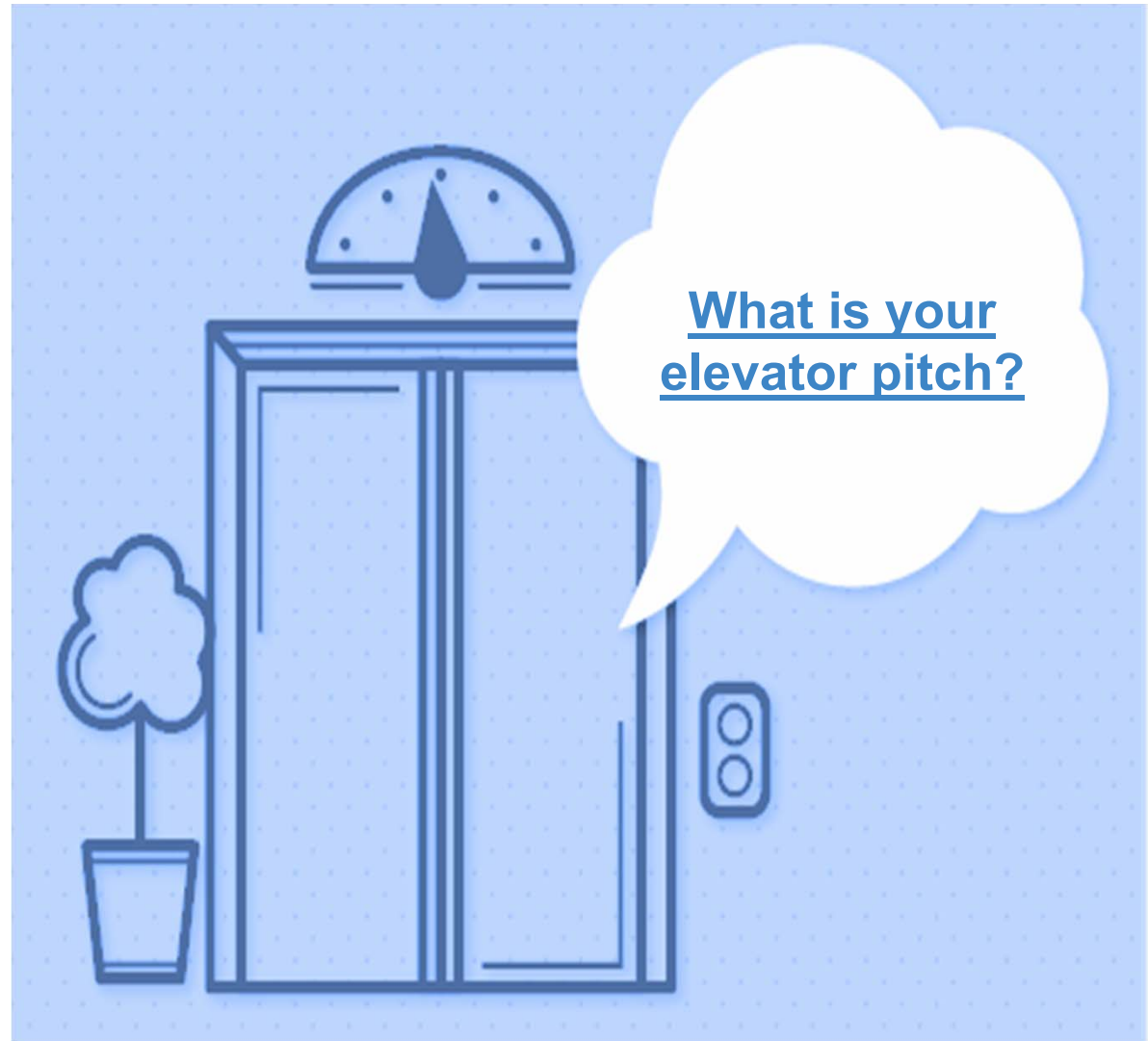
Shifts in costs over which there is limited control, such as:

- Special education placements
- Collective bargaining in progress
- An Increase or decrease in student enrollment in a particular grade level/school/subgroup?
- Anticipated revenue falls short of projections

If the district administration recommends changes in the budget after the public hearing, but before either the April 30 deadline or 45 days before the first town meeting, the Committee may amend the budget (up or down) by a two thirds vote and forward a new assessment to the towns.

Although often unavoidable, beware, this can lead to frustration and erode trust with town officials





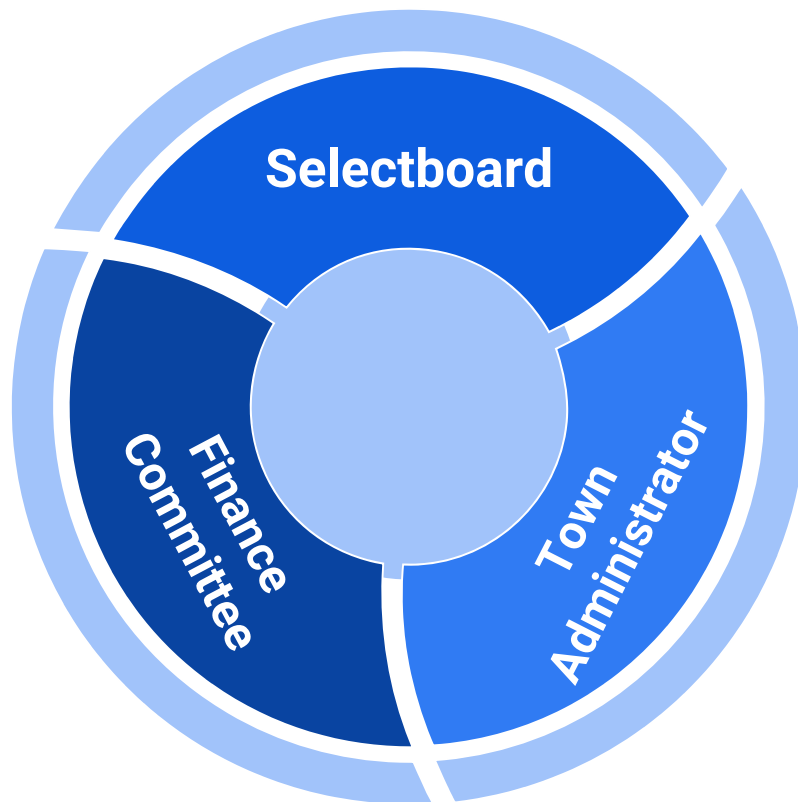


Identify Ways to Engage Stakeholders

- Create urgency
- Be relevant (why does it matter) Be honest (you can trust me)
- Strategically leverage social media
- Leverage community groups - Involve them early and often
- Demonstrate sincerity & openness in interactions with all stakeholders
- Seek information about municipal needs
- Understand both school & town finances and past expenditure patterns
- Understand the intersection of school and community revenue sources
- Clearly and passionately articulate the educational and social emotional needs of the community's children



Key Stakeholders: Town Officials



How To Pay For All Of It: Understanding Primary Revenue Sources

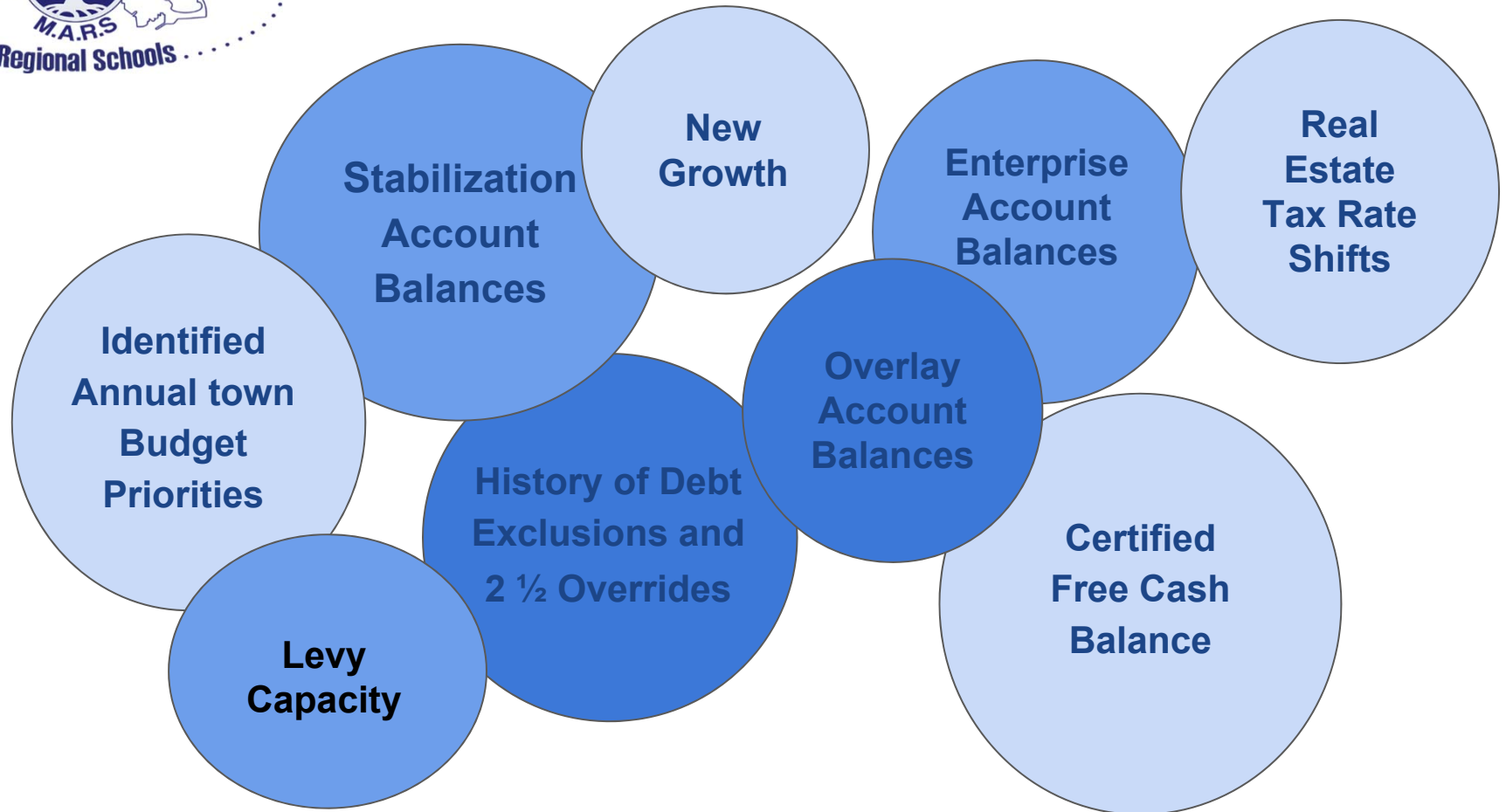
State and Federal	Chapter 70	State aid to public elementary and secondary schools. Amount for upcoming fiscal year is generally not final until June or later, depending on State budget process.
	Chapter 71	State aid to regional school districts for transportation costs. Calculated as percentage of costs previously incurred. Percentage is generally not final until June or later, depending on State budget process.
	Circuit Breaker	Provides financial assistance to public school districts to offset the cost of delivering high-cost special education services to students (received as a reimbursement on year after expenses are incurred)
	Grants	Entitlement grants such as IDEA and Title I and Competitive grants

How To Pay For All Of It: Understanding Primary Revenue Sources

District	Excess and Deficiency	Used for surplus general fund balances at conclusion of fiscal year. Cannot be used as budget revenue until after certified by DOR (one fiscal year later). If balance exceed 5% of proposed operational budget the amount exceeding 5% must be used as a revenue source for budget.
	Revolving Accounts	Such as school choice, tuition Please note: These are NOT considered revenue, but can be used to offset costs in some cases.
Local	Member Town Assessments	Calculated as described in the regional agreement and used to fill the gap between what other revenue sources fund and the total budget amount



Town Finances: What To Know and Why It's Important



What to Know About the Town Meeting Process

Town Moderator	Selectboard	Finance Committee	Town Administrator
 MGL. Chapter 39 Section 15 “ The moderator shall preside and regulate the proceedings, decide all questions of order, and make public declaration of all votes, and may administer in open meeting the oath of office to any town officer chosen thereat.”	 Call the Town Meeting Establish warrant Provide recommendations on warrant articles Make motions to amend articles Vote as individual town meeting members	 Provide recommendations on warrant articles Make motions to amend articles Vote as individual town meeting members	 Role at town meeting varies from town to town If not a registered voter in the town they act in an advisory capacity to the selectboard and addresses questions

What to Know About the Town Meeting Process

Superintendent and School Business Official



Address the voters to provide information about the school budget and town assessment(s)

If a registered voter of the town, may make motions to amend articles and may vote on warrant articles

School Committee



Make statements of support for the school budget/approval of the assessment - Remember your elevator speech!

Make motions to amend articles

Vote as individual town meeting members



Expect the unexpected at town meeting...

The superintendent isn't permitted to address voters



- Proactive - speak with town moderator prior to meeting to inform them that the superintendent intended to speak
- If a problem exists during town meeting have a school committee member respectfully remind the moderator of the requirement to allow the superintendent to speak to the budget on town meeting floor
- If no other resolution, a school committee member who resides in the community can speak to the budget and is necessary ask questions of the superintendent and business manager to garner detailed information



Expect the unexpected at town meeting...

The warrant article does not include the accurate assessment figure



- In this case a motion to amend to the assessment should be put forth on town meeting floor.
- Be prepared to explain why the motion to amend the assessment is being made as this can be very confusing to voters because sometimes they think that the school district is changing the budget request, rather than simply setting the record straight as to what they submitted to the town for an assessment amount



Expect the unexpected at town meeting...

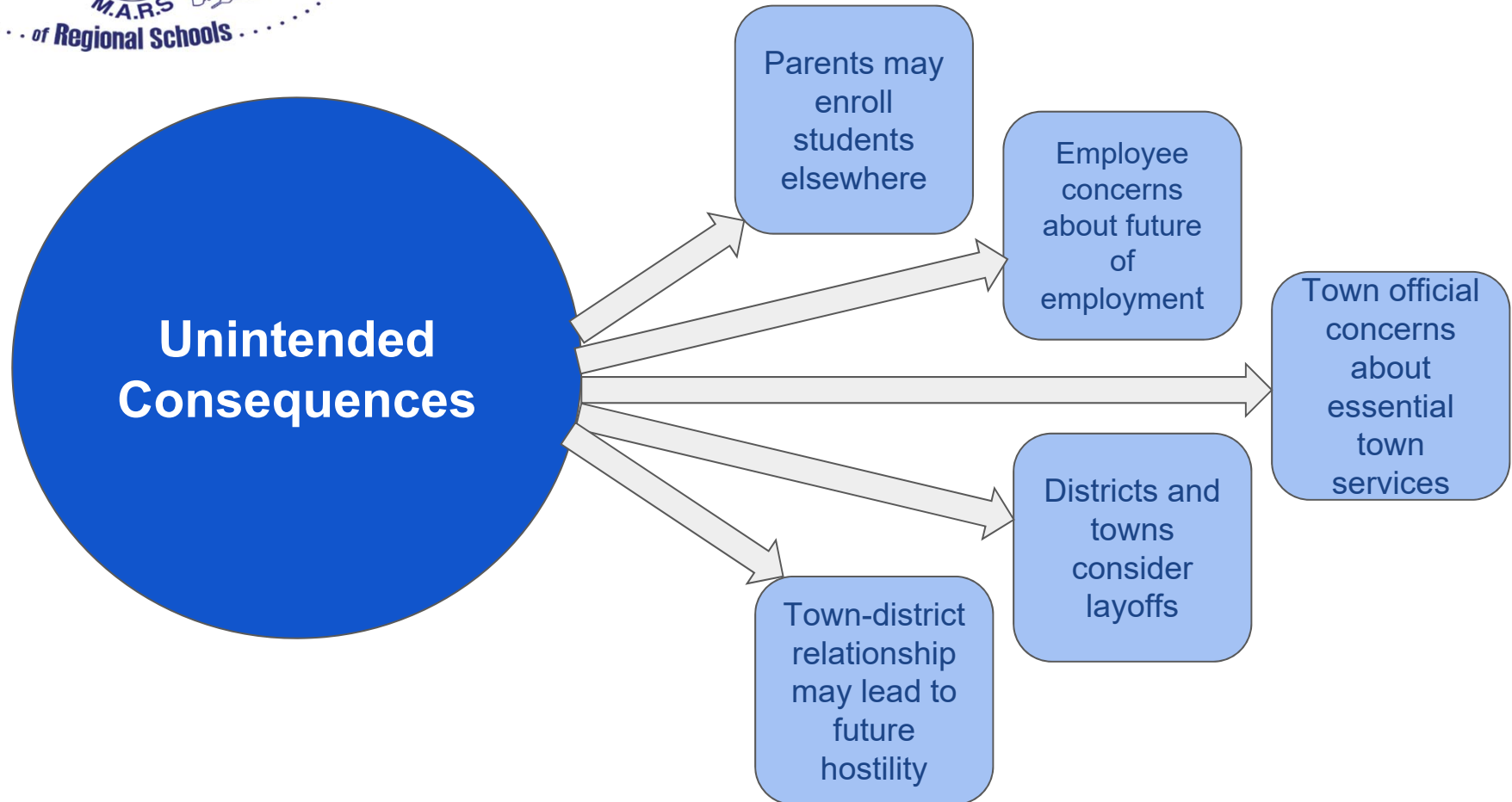
Town officials/citizens state inaccurate information for the public

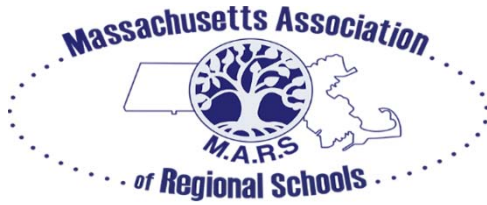


- After completing all of your communication with stakeholder groups, you should have a good idea as to the “hot button” issues that may come up at town meeting. Prior to town meeting, work with district administration to have a plan to address these items at the town meeting.
- Avoid “edu-speak”, be clear, concise and confident



What if the budget is not approved?





What if the budget is not approved?

1

School Committee Must Reconsider Budget

No more than 30 days after the budget fails. In a two town district, this is the date of the first town meeting where the assessment was not approved.

2

Assessment Letters Submitted to Town Officials

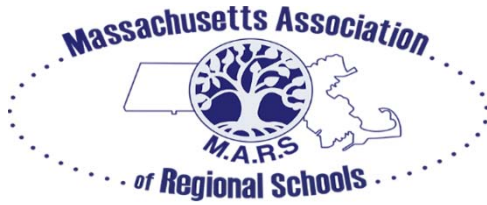
Within 7 days of school committee budget reconsideration vote.

3

Towns Convene Town Meeting to Vote On Assessment

Within 45 days of school committee budget vote

If town does not hold a town meeting, it is deemed to have approved the assessment



What if the budget is not approved, AGAIN?

1

School Committee Can Call a District-Wide Meeting
Must post meeting 14 days prior

2

Assessment Presented Must Be Calculated on Statutory Method

3

Majority Vote of Those Present Can Approve Assessments

Within 45 days of school committee budget vote

If town does not hold a town meeting, it is deemed to have approved the assessment



What if the budget is not approved after the district-wide meeting?

School District must notify the Commissioner if their budget is not approved prior to July 1

School district will operate on a 1/12 budget until budget is resolved

If budget is not resolved by December 1, Commissioner establishes final district budget



What if a town needs a Proposition 2½ override?

Step 1: Understanding Levy Limits

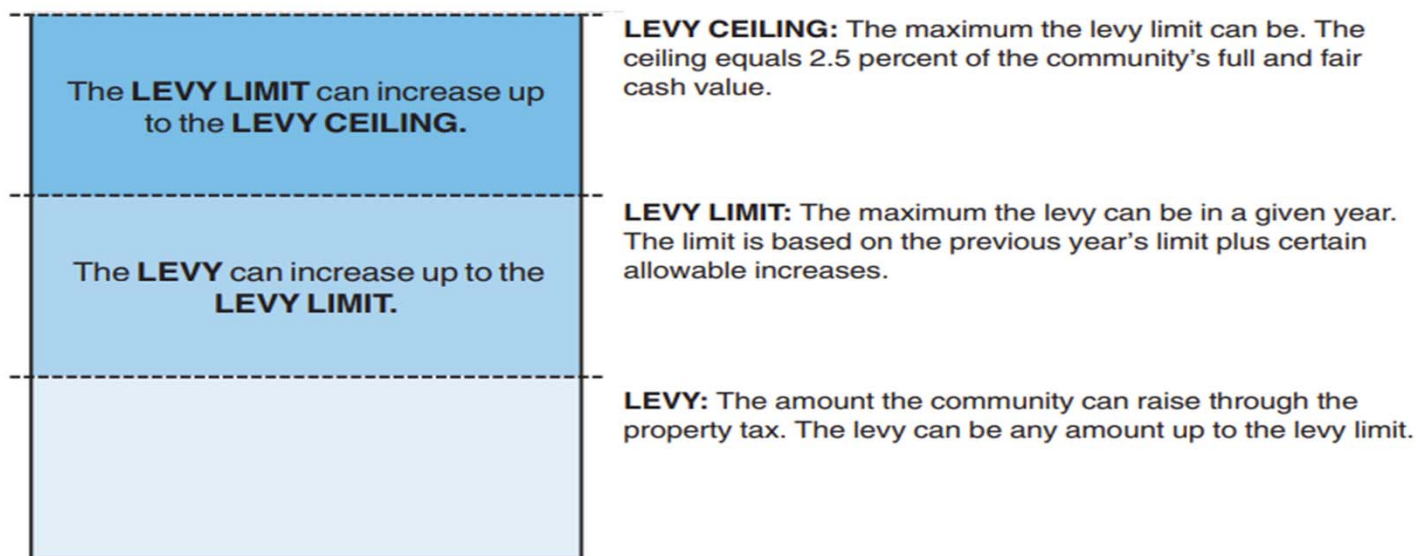
The levy ceiling is determined by calculating 2.5 percent of the total full and fair cash value of taxable real and personal property in the community:

Full and Fair Cash Value x 2.5% = LEVY CEILING

Full and Fair Cash Value = \$100,000,000

\$100,000,000 x 2.5% = \$2,500,000

In this example, the levy ceiling is \$2,500,000.





What if a town needs a Proposition 2½ override?

Step 1: Understanding Levy Limits

Increases to Levy Limits

- **Automatic 2.5 percent increase** -Each year, a community's levy limit automatically increases by 2.5 percent over the previous year's levy limit.
- **New Growth** - A community is able to increase its levy limit each year to reflect new growth in the tax base.
- **Overrides** - A community can permanently increase its levy limit by successfully voting an override.
- **Debt or Capital Outlay Exclusion** - A community can temporarily tax over its levy limit.

Reference: [MA DOR/DLS LEVY LIMITS: A PRIMER ON PROPOSITION 2 ½](#)



What if a town needs a Proposition 2½ override?

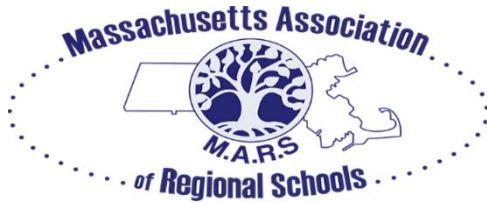
Step 2 :Differentiating Between Overrides and Exclusions

Proposition 2½ Override

- Allows a community to assess taxes in excess of the automatic annual 2.5 percent increase and any increase due to new growth by passing an override. **Permanent increase to levy limit**
- Must be below the levy ceiling, or 2.5 percent of full and fair cash value.
- Cannot increase levy limit above the level of the levy ceiling.
- A majority vote of a community's selectmen, allows an override question to be placed on the ballot.
- Override questions must be presented in dollar terms and must specify the purpose of the override.
- Overrides require a majority vote of approval by the electorate.

Debt and Capital Outlay Exclusions

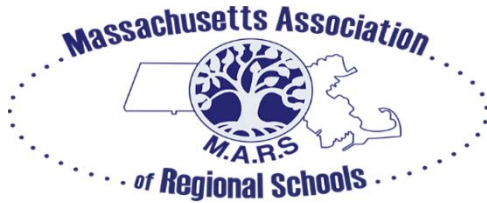
- A community can assess taxes in excess of its levy limit or levy ceiling for the payment of certain capital projects and for the payment of specified debt service costs. **Temporary increase in taxes over the levy limit**
- An exclusion for the purpose of raising funds for debt service costs is referred to as a debt exclusion.
- An exclusion for the purpose of raising funds for capital project costs is referred to as a capital outlay expenditure exclusion.
- Generally must be approved by $\frac{2}{3}$ vote of selectmen followed by majority vote of approval by the electorate.



Accessing MSBA Funding for School Building Projects and Repairs to Roofs, Windows and Boilers

CORE Program	Accelerated Repair Program
Deals with standard new construction or addition/renovation projects	Deals with facilities that may need roof, window, and/or boiler replacements, but are otherwise structurally sound

Reference:[Massachusetts School Building Authority](#)



Accessing MSBA Funding for School Building Projects and Repairs to Roofs, Windows and Boilers

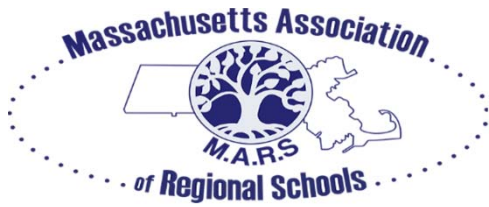
Step 1: Evaluating/determining the specific capital needs of the elementary school buildings within both communities would be the necessary first step in accessing state funding via MSBA for any identified capital needs,

Step 2: Ensure that your project meets the guidelines for SOI submission as described on the MSBA website. Factors such as facility age, projected cost, funding, and type of project can be limitations.

Step 3: File a Statement of Interest for either the Accelerated Repair Program or Core Program. The application window typically opens in January and closes in early February.

Step 4: If project is approved, extensive and ongoing work with MSBA, your community, assigned owner's project manager, architects and contractors will be necessary. This process can be very lengthy.

Reference: [Massachusetts School Building Authority](#)



Questions?

Comments?

Feedback?



Contact Us

Dr. Maureen M. Marshall

Executive Director Massachusetts Association of Regional Schools

mars.marshall@marsregionals.net

Dr. Sheila A. Muir

Assistant Executive Director Massachusetts Association of Regional Schools

mars.muir@marsregionals.net