

to sign the warrant for payment asked for a description of the legal counsel's work. Unfortunately, the member was told, "You don't need to know that. It's not your responsibility." A more appropriate response would have been to explain the volume of confidential work vs. service as a matter of public record.

II. DEVELOPING, APPROVING, AND MONITORING THE BUDGET

Budget Development and Implementation. Budgeting is a legally designated function for School Committees. During the year, however, modifications to the district budget are usually necessary. The question of line item transfers and how they are authorized is a frequent source of conflict. In developing a budget, the superintendent will often present a voluminous directory of budgetary information, including hundreds of lines of items and proposed expenditures. These are very different from the "line items" that the School Committee will use to monitor progress during the year.

State officials have explained that the School Committee should identify the cost centers it will use to implement and monitor the budget (these cost centers are also frequently cited as "line items.")

A well crafted budget will include not only a designated number of line items for which the superintendent must recommend changes during the year, but also several sections of policy guidance to reinforce the link between the Committee's intent and actual expenditures. For example, a budget document may have language included to add new programs (e.g., create a foreign language program for K-6; establish free, full-day kindergarten; foreign exchange program), restructure other programs (eliminate specific sports teams; eliminate foreign language instruction; etc.), consolidate schools, or set economic parameters for employment contracts.

A skillful superintendent will be able to work carefully with the School Committee to recommend a reasonable number of cost-centers/line items for review during the year. Some districts have as few as three or four while others have dozens. Savvy superintendents also present regular financial reports to allow board members to monitor progress. Nothing can be more disruptive to otherwise harmonious relationships than to learn suddenly that a district budget deficit is at hand.

III. WHAT'S POLICY vs. WHAT'S ADMINISTRATION

Interpretations Over What is Policy. There are more than 300 possible topics for school district policy subject to School Committee approval, ranging from School Committee operating rules to sexual harassment and bullying, just to identify a few. Sometimes these areas of policy are clear and unambiguous, but policy can also be found in several areas not normally viewed as such. For example:

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LESLIE A. KIRWAN
Deputy Commissioner

September 13, 1994

Donald J. Charest
Associate Superintendent
Agawam Public Schools
1305 Springfield Street
Feeding Hills, MA 01030

Re: School Budget Transfer Authority
Our File No. 94-660

Dear Mr. Charest:

You have asked whether the policy of the Agawam School Committee entitled "Cost Center Transfer Authority" is permissible under the general laws. That policy, adopted May 6, 1975 and currently still in operation in the school system provides:

For purposes of budget rectification, the superintendent or designee is authorized to approve transfers of not greater than \$3,000 between cost centers in the operating budget. Transfers of more than that amount must be approved by the school committee.

All funds not expended by the close of the fiscal year will be returned to the city.

In our opinion only the school committee has the authority to transfer amounts between line items (allocations) in its budget and cannot delegate this authority to any other municipal board or officer. In particular, G.L. Ch. 71, S. 34 provides:

Every city and town shall annually provide an amount of money sufficient for the support of the public schools as required by this chapter, provided, however, that no city or town shall be required to provide more money for the support of public schools than is appropriated by vote of the legislative body of the city or town. In acting on appropriations for educational costs, the 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. . . . The city or town appropriating body may make nonbinding monetary recommendations to increase or decrease certain items allocating such appropriations.

The vote of the legislative body of a city or town shall establish the total appropriation for the support of the public schools, but may not limit the authority of the school committee to determine the expenditures within the total appropriation. (emphasis added).

This statute limits the municipal legislative body to a bottom line appropriation to the school committee for its education operating budget. [Separate appropriations may be made to the committee for such municipal obligations as school transportation and capital items, but even the school committee has no authority to transfer such items to purposes in its education budget without town meeting vote under G.L. Ch. 44, S. 33B.]

Despite this bottom line appropriation, the statute implies that the school committee submits an itemized education operating budget request so that the legislative body may make nonbinding recommendations on allocations. See G.L. Ch. 41, S. 59 & G.L. Ch. 44, S. 31A (requiring departments in towns and cities to submit detailed estimates of operating expenses for the next fiscal year); and see Young v Worcester, 333 Mass. 724, 728-9 (1956) & Hilliker v. Springfield, 349 Mass. 353, 357 (1965) (although deadlines under G.L. Ch. 44, S. 31A and G.L. Ch. 41, S. 59 do not apply to schools, school committee must provide estimates in sufficient time for mayor and city council to consider the effect on the municipal budget).

Under G.L. Ch. 71, S. 34 only the school committee has been given the authority to determine expenditures within its budget. The school committee also has authority to review and approve school department budgets under G.L. Ch. 71, S. 37, as amended by St. 1993, Ch. 71, S. 35 of the Education Reform Act. Although the Ed Reform law gave school superintendents and principals greater authority over day to day operations of the schools, such authority is still limited by school policy and budget actions of the school committee under G.L. Ch. 71, SS. 48, 59 & 59B, as amended by St. 1993, Ch. 71, SS. 51, 52 & 53. In addition, the committee must sign bills and payrolls under G.L. Ch. 41, SS. 41 & 56.

In this case the school committee has attempted to partially delegate its authority to determine expenditures by granting to the superintendent or some designee (of the superintendent or the school committee?) the right to transfer between "cost centers" up to \$3000. We understand that under the school accounting system a "cost center" is a general budget allocation. We believe the legislature has granted exclusive power to the school committee to approve transfers between allocations and the committee has no authority to delegate such responsibility. The authority of the school committee under G.L. Ch. 71, S. 34 is similar to that granted to the mayor and city council or town meeting under G.L. Ch. 44, S. 33B, which we have also said precludes delegation to another town officer.

The school committee could grant the superintendent more discretion by limiting the number of allocations to fewer, more general categories in its budget vote and by labeling subcategories as informational only. For example, despite education reform, the school committee could budget general teacher salaries as a cost center with informational items for each school. The superintendent could then use amounts shown for one school in another school without the necessity of a formal transfer vote.

Conversely, the committee could give principals more authority by voting to allocate actual budget items to each school, requiring a formal committee vote to transfer from one school to another.

Even with a detailed allocation budget, given that the school committee must approve payrolls and vouchers for expenditure of school department appropriations, there should be no particular difficulty in bringing a transfer request to the committee for approval. In the situation where the school committee has delegated the authority to one of its members to sign a payroll under G.L. Ch. 41, S. 41, a vote of the committee itself would still be required to transfer other allocations to a salary account, prior to signing the payroll. An accurate accounting of expenditures on an ongoing basis should provide sufficient lead time for the committee to act on such a request well before the salary account has been depleted at the time a payroll is due to be paid.

We hope this addresses your concerns. If you have any further inquiry do not hesitate to contact us again.

Very truly yours,

Mariellen P. Murphy
Director of Accounts



Lincoln Public Schools
Lincoln, MA 01773

LINE ITEM TRANSFER AUTHORITY

The Superintendent or his/her designees shall have authority to transfer funds within any major budget category (e.g., from one line item in INSTRUCTION to another) provided that such transfer in his/her judgment will represent a more efficient or effective use of resources.

Transfers of funds between major budget categories require approval of the School Committee and a complete record of such transfers between major budget categories will be presented to the School Committee at a July meeting.

Adopted at School Committee Meeting of September 28, 1991
Revised at School Committee Meeting of January 21, 1985