



NASHOBA

Regional School District

Superintendent
Michael L. Wood

**Assistant
Superintendent**
George P. King, Jr.

**Director of
Human Resources**
Monica Visco

**Director of
Facilities and
Maintenance**
Bill Cleary

**Director of
Special Education**
Tracy Conte

**Director of
Athletics**
Tania Rich

To: Michael Wood, Superintendent
From: George King, Assistant Superintendent
Date: June 4, 2012
Subject: End of the Year Transfers

There are two actions that need to be taken to balance the FY 12 budget.

Control Line Item Transfers

Each year the school committee is asked to make transfers of budgeted funds between what are referred to as "control line items". Transfers between these budget lines can only be made through a vote of the school committee. I have attached a sheet that indicates the required transfers. A few points to highlight:

This year all but one of the proposed line item transfers are between salary line items. When the budget is adopted we assign amounts to each salary line reflecting the future year cost of the present year personnel. Invariably changes occur with teachers leaving, taking temporary leaves, or even transferring schools. On the District level this has often resulted in a small budget surplus, as it does this year. However, it is required that we transfer money to the proper line items to balance out where we actually paid the staff from. Further, this year we settled collective bargaining contracts with both Unit A and Unit C have the dollars have been allocated. Although these increases were relatively minimal they had additional impacts, especially in the clerical and custodial areas.

The only other transfer is within the control items of the facilities budget. We need to take some money from one line to the other for purpose of some maintenance work on our water treatment plant at the high school.

A motion to approve the transfers as listed on the attachment is required.

School Choice

In past years we included the school choice payment in the budget. Beginning two years ago we elected to move the school choice charges to the revolving account, based on advice of both DOE and DOR. In practice this means we took all the school choice income and placed it in the revolving account as required. Whatever amount was budgeted for general fund income would be transferred to the general fund. This year for example the amount is \$600,000. The charge we incur for students who have school choiced to other districts was also made directly from this revolving account. In summary the revolving account took school choice payments as income and paid out our school choice charges and revenue to our budget.

We are now advised by our auditors that the payment for school choice to other Districts must be a district budget line item. To avoid an audit finding they are recommending we do this for the current FY 2012 budget as we did for FY 2011. This does not affect the bottom line budget balance as the money set aside in the revolving fund to pay for it is also transferred to the general fund as revenue. However, since as of now there is no line item budgeted, this requires an amendment to the FY 2012 District budget to authorize a line item expenditure. The school committee can make such an amendment by a two-thirds vote of the committee, without further approval, as long as it does not increase the amount of local assessments. In this case it does not since the entire revenue for the increase comes from the revolving account. Therefore, **a motion to increase the FY 2012 NRSD budget by \$388,354 and assigning that total amount to the line item "school choice, for a new total FY 2012 budget of \$45,486,931 is required.**

If you have any questions regarding the transfers or the budget change I will be prepared to answer them at the meeting.