

Discrepancy over special ed funds

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Conflicting views on where an amount of leftover special education funds should land has spurred Article 3 on the Town Meeting warrant, which leaves the destiny of the cash up to Town Meeting.

Back in June, the School Committee moved \$550,000 from special education funds to school building projects. The money was left over from the special education circuit breaker the town received for fiscal 2004. Later in the summer, another \$100,000 in special education funds was moved to school building project accounts.

According to resident Linda Phillips, the money earmarked for special education should not have been moved to fund the building projects, as those are capital accounts.

"They can move it from one department to another, but they can't moved it to capital projects," she said.

Phillips contacted the Department of Education and asked someone to evaluate the School Committee's actions. On Sept. 21, Jeff Wulfson, associate commissioner of the

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Department of Education, wrote a letter to Selectmen Chairman Richard Schubert and School Committee Chairman Carl McFadden, stating that the special education money shouldn't, in fact, have been switched to the school building projects.

"The DOE criteria include certain standards of construction costs based on the application the town submits for a project," Wulfson wrote. "We do not believe that the town

can modify the financing of a school construction project without the concurrence of the DOE... I therefore conclude that the three votes of June 15, 2004 transferring a total of \$550,000 are defective; such funds should have been closed from the fiscal 2004 school budget to fund balance as of June 30, 2004... Following certification of available funds pursuant to provisions of Ch. 59, Section 23, the Town Meeting could vote to appropriate funds to a

capital project. However, prior to such a vote, I would suggest a consultation with the DOE or the newly created School Building Authority relative to amendment of the existing applications for the three school construction projects."

\$350,000 was transferred to the high school building project by the School Committee, \$200,000 was given to the Barrows project, and \$100,000 was allotted to Wood End. According to Phillips, \$100,000 of the money was moved to the maintenance budget, which is allowed. Superintendent Patrick Schettini said giving more money to the school projects is a good investment because the state is going to reimburse around 60 percent of the funds for each project.

Phillips said, "The capital budget is a Town Meeting article. They are taking money away from the school budget because they are trying to save money."

Phillips also said, under new provisions created by the DOE, that special education money could have been carried over to next year's special education budget by putting it into a new, revolving account. Schettini verified that there can exist such an account.

"There is a special education revolving account, but

we didn't do that this year," Schettini said. "We thought this [extra money] was just a one-time event."

Schettini said the movement of the money from special education to capital projects over the summer was "absolutely acceptable." He said, when the School Department was given the special education circuit breaker money, it used that money instead of the funds they had originally budgeted for special education in the fiscal 2004 school budget. Therefore, it was that originally budgeted money that was transferred.

Schettini said he understands that the Department of Revenue believes the only body that can transfer money into capital projects is Town Meeting. However, he said the School Committee should have the right to do that as well.

"In each building project, we had additional items that needed to be addressed," Schettini said. "The building money was tight, and we wanted to do everything in our power to ensure we supplement it."

Phillips asserts, however, that the money should have been left in the school's regular budget.

"The money that's not spent should go back into free cash and accounted for differently," she said. "It can get carried over to next year's special education budget."

Schettini said, "This is good business practice: when you have funds, you put them when they are needed most. The transfer didn't impact the services rendered to students. This made common sense to us, and we believed we had sufficient power to do so."