

The Commonwealth of Massachusetts



THE COMMONWEALTH OF MASSACHUSETTS  
EXECUTIVE DEPARTMENT

STATE HOUSE • BOSTON 02133

MICHAEL S. DUKAKIS  
GOVERNOR

July 15, 1987

To the Honorable Senate and House of Representatives:

I am returning for amendment S.299 entitled "An Act Permitting the Establishment of a Stabilization Fund by Regional School Districts."

I am returning S.299 for amendment in order to insure that the member municipalities of regional school districts have a voice in the establishment of stabilization funds and in the appropriation of monies from such funds. In addition, I am recommending that the ceiling on such funds be reduced from ten to five percent of the combined equalized valuations of the member municipalities.

I, therefore, recommend that S.299 be amended by striking the bill in its entirety and inserting in place thereof the following:—

"Chapter 71 of the General Laws is hereby amended by inserting after section 16G the following section:

Section 16G 1/2. A regional school district may, by majority votes of its member municipalities and of all the members of its regional district school committee, establish a stabilization fund and may in any year include in its annual budget for deposit in the stabilization fund an amount not exceeding five percent of the aggregate amount apportioned to the member municipalities for the preceding fiscal year or such larger amount as may be approved by the emergency finance board. The aggregate amount in the fund at any time shall not exceed five percent of the combined equalized valuations of the member municipalities. Any interest shall be added to and become a part of the fund. The annual report submitted to the member municipalities pursuant to clause (k) of section sixteen shall include a statement of the balance in the stabilization fund and all additions to and withdrawals from the fund during the period covered by such report.

The treasurer of the regional school district shall be the custodian of the fund and may deposit or invest the fund in such deposits or investments as are legal for the deposit or investment of revenue funds of the district or in such securities as are legal for the investment of funds of savings banks under the laws of the commonwealth.

The stabilization fund may be appropriated by vote of two-thirds of all the members of the regional district school committee for any purpose for which regional school districts may borrow money or for such other other district purpose as the emergency finance board may approve. No expenditure may be made from such an appropriation unless the procedures set forth in section 16(d) or 16(n) of this chapter, or in any other provision requiring approval of a debt issue by the member municipalities of the regional school district, have been complied with.

This section shall apply also to regional school districts established under the provisions of special laws."

I urge your prompt consideration of the above amendment.

Respectfully submitted,



Michael S. Dukakis