

MASS. SAI. 2: P 94



# The Commonwealth of Massachusetts

AUDITOR OF THE COMMONWEALTH

DIVISION OF LOCAL MANDATES

A. JOSEPH DENL  
AUDITOR



100 NASHUA STREET, ROOM 1010  
BOSTON, MASSACHUSETTS 02114

TEL. (617) 727-0980  
1-800-462-COST

312066 0281 6368 3

## MEMORANDUM

TO: Municipal Officials  
 FROM: A. Joseph DeNucci, Auditor of the Commonwealth  
 DATE: April 25, 1991  
 RE: [ PROPOSED \$31 MILLION ASSESSMENT FOR TEACHERS PENSIONS

I would like to bring to your attention a state budget proposal which would require cities, towns and regional school districts to pay ten percent of the employer's share of teachers' retirement costs. As currently proposed, Section 210 of the fiscal year 1992 state budget, House No. 1, would initiate an assessment on cities, towns and regional school districts equal to 10% of the cost of retired teachers' pensions. This entire cost has historically been funded by the Commonwealth as provided in G.L. c.32, s.22.

The text of this new proposal contains the clause "notwithstanding the provisions of section twenty-seven C of chapter twenty-nine", the local mandate law. Its enactment would override the mandate provisions of Proposition 2 1/2 and therefore effectively negate any mandate court challenge filed by a city or town.

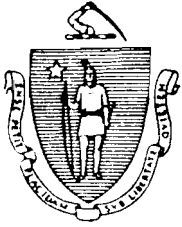
Based on the assessment methodology contained in section 210 and the fiscal year 1992 statewide teachers' pension obligations as estimated by the Commonwealth's Division of Public Employee Retirement Administration, cities, towns and regional school districts would be assessed \$28.6 million next fiscal year. The City of Boston would lose \$2.75 million in state reimbursement beginning in fiscal year 1993.

It is important that your Senators and Representatives become aware of your position relative to this proposed cost imposition on your city or town. Please be assured that my office will work with the Legislature and the Massachusetts Municipal Association to see that this proposal is deleted from the FY 1992 state budget. In this manner cities and towns can avoid this new cost imposition and the mandate statute will maintain its integrity.

I look forward to a favorable resolution of this issue in the near future.

AJD:mdt

912/170



A. JOSEPH DeNUCCI  
AUDITOR

# The Commonwealth of Massachusetts

AUDITOR OF THE COMMONWEALTH

ONE ASHBURTON PLACE ROOM 1819  
BOSTON, MASSACHUSETTS 02108

TEL. 617-727-6200

April 24, 1991  
FOR IMMEDIATE RELEASE

CONTACT: SKIP SESLING  
(617)727-6200

## AUDITOR DeNUCCI SAYS TEACHER PENSION PROPOSAL CIRCUMVENTS PROP 2 1/2 - CITIES & TOWNS TO PAY \$31.3M

State Auditor A. Joseph DeNucci said today that his Division of Local Mandates (DLM) has ruled that the Administration's fiscal year 1992 budget proposal requiring cities, towns and local regional districts to pay \$31.3 million toward teacher pensions would circumvent the local mandate provisions of Proposition 2 1/2 and force local governments to assume these costs.

This House 1 budget proposal cited by DeNucci would require cities, towns and regional school districts starting in fiscal year 1992 to pay 10 percent of the employer's share of teachers' retirement costs which have been, since 1914, assumed entirely by the state. Boston, the only municipality which has its own teachers' retirement system, would forfeit \$2.8 million in state reimbursement, representing 10 percent of its employer contribution costs, beginning in fiscal year 1993.

DeNucci said that the text of this new proposal contains the clause "notwithstanding the provisions of section twenty-seven C of chapter twenty-nine", the local mandate law. The result of its enactment would clearly override the mandate provisions of Proposition 2 1/2 and therefore effectively negate any mandate court challenge filed by a city or town on this issue.

The Auditor's ruling is in response to petitions by State Rep. Thomas P. Kennedy (D. Brockton), Lynn Mayor Albert V. DiVirgilio, the Massachusetts Municipal Association and several other towns to DeNucci's Division of Local Mandates. Each requested that DeNucci determine whether this pension-charge proposal would violate the mandate provision of Proposition 2 1/2, which requires state funding of new laws and regulations imposing financial obligations on cities and towns.

-more-

"This budget language," Auditor DeNucci said, "would circumvent the mandate protections provided under Proposition 2 1/2."

Auditor DeNucci stated, "All cities and towns are already struggling under extremely tight fiscal restrictions, particularly with the impending reductions in state aid. This is a difficult time to place an additional burden on them which would essentially require the reduction of \$31.3 million worth of existing services. The local mandate statute was included in Proposition 2 1/2 to prevent precisely this type of state intrusion over local finances."

Attached: List of estimated assessments for cities, towns and regional school districts throughout the Commonwealth.

ESTIMATED 10% ASSESSMENT FOR  
RETIRED TEACHERS PENSIONS

SCHOOL DISTRICT	FY92 ESTIMATED ASSESSMENT	SCHOOL DISTRICT	FY92 ESTIMATED ASSESSMENT
ABINGTON	\$ 69,128	COHASSET	46,420
ACTON	59,384	CONCORD	78,682
ACUSHNET	27,360	CONWAY	4,224
ACAWAM	125,656	DANVERS	111,376
AMESBURY	80,400	DARTMOUTH	120,504
AMHERST	67,598	DEDHAM	117,843
ANDOVER	182,016	DEERFIELD	11,609
ARLINGTON	166,735	DOUGLAS	23,657
ASHLAND	59,406	DOVER	15,244
ATTLEBORO	191,252	DRACUT	115,816
AUBURN	87,497	DUXBURY	106,328
AVON	26,448	EAST BRIDGEWATER	70,780
AYER	28,424	EAST LONGMEADOW	73,388
BARNSTABLE	195,326	EASTHAM	9,699
BEDFORD	89,640	EASTHAMPTON	62,724
BELCHERTOWN	43,922	EASTON	110,886
BELLINGHAM	80,790	EDGARTOWN	13,418
BELMONT	135,419	ERVING	6,700
BERKLEY	16,220	ESSEX	11,453
BERLIN	7,483	EVERETT	144,676
BERNARDSTON	4,631	FAIRHAVEN	70,501
BEVERLY	182,814	FALL RIVER	417,865
BILLERICA	218,530	FALMOUTH	143,262
BOLTON	14,794	FITCHBURG	152,570
BOSTON *	2,750,000	FLORIDA	3,185
BOURNE	79,479	FOXBOROUGH	84,798
BOXBOROUGH	9,742	FRAMINGHAM	313,922
BOXFORD	18,804	FRANKLIN	115,991
BOYLSTON	9,181	FREETOWN	15,014
BRAINTREE	176,882	GARDNER	73,551
BREWSTER	18,795	GAY HEAD	14
BRIDGEWATER	63,694	GEORGETOWN	39,074
BRIMFIELD	8,404	GLOUCESTER	126,385
BROCKTON	456,290	GOSNOLD	373
BROOKFIELD	7,801	GRAFTON	60,029
BROOKLINE	256,139	GRANBY	28,893
BURLINGTON	152,557	GRANVILLE	5,289
CAMBRIDGE	424,035	GREENFIELD	83,942
CANTON	109,037	GROVELAND	14,055
CARLISLE	23,869	HADLEY	19,874
CARVER	27,437	HALIFAX	17,522
CHATHAM	29,538	HAMPDEN	19,099
CHELMSFORD	181,740	HANCOCK	2,671
CHELSEA	106,953	HANOVER	83,885
CHICOPEE	225,174	HANSON	34,577
CHILMARK	2,254	HARVARD	40,585
CLARKSBURG	5,886	HARWICH	49,815
CLINTON	67,145	HATFIELD	16,609

\* The City of Boston would lose \$2.75 million in state reimbursement beginning in fiscal year 1993 because it maintains its own teachers' retirement system.

SCHOOL DISTRICT	FY92 ESTIMATED ASSESSMENT	SCHOOL DISTRICT	FY92 ESTIMATED ASSESSMENT
HAVERHILL	209,028	MONSON	35,216
HEATH	28	NAHANT	9,749
HINGHAM	126,098	NANTUCKET	44,655
HOLBROOK	51,644	NATICK	176,501
HOLDEN	60,379	NEEDHAM	150,814
HOLLAND	6,533	NEW ASHFORD	24
HOLLISTON	95,026	NEW BEDFORD	461,785
HOLYOKE	257,733	NEWBURY	15,962
HOPEDALE	31,289	NEWBURYPORT	94,265
HOPKINTON	52,650	NEWTON	443,813
HUDSON	95,923	NORFOLK	24,403
HULL	52,538	NORTH ADAMS	76,069
IPSWICH	58,787	NORTH ANDOVER	119,565
KINGSTON	22,985	NORTH ATTLEBOROUGH	112,811
LAKEVILLE	12,772	NORTH BROOKFIELD	25,632
LANCASTER	18,615	NORTH READING	73,216
LANESBOROUGH	9,118	NORTHAMPTON	118,309
LAWRENCE	308,116	NORTHBOROUGH	59,650
LEE	33,337	NORTHBRIDGE	60,274
LEICESTER	53,907	NORTHFIELD	5,147
LENOX	32,172	NORTON	77,242
LEOMINSTER	159,117	NORWELL	71,074
LEVERETT	4,463	NORWOOD	146,941
LEXINGTON	225,432	OAK BLUFFS	11,839
LEYDEN	1,444	ORANGE	17,026
LINCOLN	22,586	ORLEANS	10,728
LITTLETON	43,719	OTIS	4,061
LONGMEADOW	119,314	OXFORD	61,886
LOWELL	430,588	PALMER	49,649
LUDLOW	87,553	PAXTON	13,781
LUNENBURG	55,155	PEABODY	202,579
LYNN	386,308	PELHAM	4,056
LYNNFIELD	72,817	PEMBROKE	46,148
MALDEN	203,913	PETERSHAM	3,960
MANCHESTER	34,324	PITTSFIELD	261,050
MANSFIELD	97,603	PLAINVILLE	16,105
MARBLEHEAD	103,880	PLYMOUTH	136,357
MARION	12,857	PLYMPTON	7,752
MARLBOROUGH	144,140	PRINCETON	12,462
MARSHFIELD	138,336	PROVINCETOWN	20,982
MASHPEE	30,883	QUINCY	330,982
MATTAPOISETT	14,851	RANDOLPH	153,113
MAYNARD	50,797	RAYNHAM	43,577
MEDFIELD	70,109	READING	130,859
MEDFORD	237,631	REVERE	178,501
MEDWAY	72,071	RICHMOND	6,643
MELROSE	158,113	ROCHESTER	12,126
MERRIMAC	17,044	ROCKLAND	92,407
METHUEN	148,660	ROCKPORT	32,569
MIDDLEBOROUGH	97,231	ROWE	4,089
MIDDLETON	11,640	ROWLEY	14,722
MILFORD	137,434	RUTLAND	18,029
MILLBURY	61,275	SALEM	143,488
MILLIS	42,193	SALISBURY	18,431
MILTON	115,313	SANDISFIELD	2,198
MONROE	87	SANDWICH	97,134

SCHOOL DISTRICT	FY92 ESTIMATED ASSESSMENT	SCHOOL DISTRICT	FY92 ESTIMATED ASSESSMENT
SAUGUS	125,669	WESTWOOD	93,340
SAVOY	1,470	WEYMOUTH	279,625
SCITUATE	102,321	WHATELY	4,132
SEEKONK	75,324	WHITMAN	57,998
SHARON	91,836	WILBRAHAM	52,150
SHERBORN	15,758	WILLIAMSBURG	6,451
SHIRLEY	17,486	WILLIAMSTOWN	16,872
SHREWSBURY	129,218	WILMINGTON	117,158
SHUTESBURY	4,488	WINCHENDON	40,899
SOMERSET	125,637	WINCHESTER	123,482
SOMERVILLE	267,228	WINTHROP	81,668
SOUTH HADLEY	74,505	WOBURN	198,375
SOUTHAMPTON	11,087	WORCESTER	766,313
SOUTHBOROUGH	34,913	WRENTHAM	25,916
SOUTHBRIDGE	82,360	ACTON BOXBOROUGH	75,077
SPRINGFIELD	788,314	ADAMS CHESHIRE	64,410
STERLING	25,469	AMHERST PELHAM	71,928
STONEHAM	100,637	ASHBURNHAM WESTMINSTER	62,484
STOUGHTON	154,956	ASHFIELD PLAINFIELD	5,633
STOW	24,385	ASSABET VALLEY	58,819
STURBRIDGE	26,922	ATHOL ROYALSTON	62,882
SUDBURY	74,280	BERKSHIRE HILLS	66,486
SUNDERLAND	7,382	BERLIN BOYLSTON	18,114
SUTTON	35,789	BLACKSTONE MILLVILLE	63,933
SWAMPSCOTT	75,873	BLACKSTONE VALLEY	34,206
SWANSEA	81,121	BLUE HILLS	59,735
TAUNTON	216,472	BRIDGEWATER RAYNHAM	55,023
TEWKSBURY	137,385	BRISTOL COUNTY	18,627
TISBURY	14,627	BRISTOL PLYMOUTH	39,966
TOPSFIELD	15,328	BUCKLAND SHELBURNE	15,646
TRURO	4,782	CAPE COD	38,401
TYNGSBOROUGH	42,910	CENTRAL BERKSHIRE	79,196
TYRINGHAM	76	CHESTERFIELD GOSHEN	5,195
UXBRIDGE	46,028	CONCORD CARLISLE	51,489
WAKEFIELD	127,386	DENNIS YARMOUTH	135,794
WALES	4,452	DIGHTON REHOBOTH	91,791
WALPOLE	102,577	DOVER SHERBORN	39,633
WALTHAM	248,600	DUDLEY CHARLTON	84,605
WARE	38,785	ESSEX COUNTY	30,090
WAREHAM	93,881	FRANKLIN COUNTY	29,882
WARWICK	1,640	FREETOWN LAKEVILLE	65,462
WATERTOWN	114,050	FRONTIER	21,315
WAYLAND	95,300	GATEWAY	60,237
WEBSTER	59,006	GILL MONTAGUE	53,898
WELLESLEY	139,175	GREATER FALL RIVER	43,165
WELLFLEET	6,767	GREATER LAWRENCE	63,689
WEST BOYLSTON	34,295	GREATER LOWELL	90,250
WEST BRIDGEWATER	46,725	GREATER NEW BEDFORD	70,711
WEST NEWBURY	12,268	GROTON DUNSTABLE	52,493
WEST SPRINGFIELD	108,829	HAMILTON WENHAM	73,487
WEST TISBURY	12,333	HAMPDEN WILBRAHAM	43,076
WESTBOROUGH	96,348	HAMPSHIRE	27,690
WESTFIELD	181,821	HAWLEMONT	4,947
WESTFORD	106,641	KING PHILIP	64,968
WESTHAMPTON	3,652	LINCOLN SUDBURY	53,903
WESTON	72,257	MARTHAS VINEYARD	25,695
WESTPORT	63,835	MASCONOMET	53,299

SCHOOL DISTRICT	FY92 ESTIMATED ASSESSMENT	SCHOOL DISTRICT	FY92 ESTIMATED ASSESSMENT
MENDON UPTON	46,905		
MINUTEMAN	60,597		
MOHAWK TRAIL	26,960		
MONTACHUSETT	48,198		
MOUNT GREYLOCK	33,770		
NARRAGANSETT	46,090		
NASHOBA	32,384		
NASHOBA VALLEY	31,813		
NAUSET	56,762		
NEW SALEM WENDELL	4,463		
NORFOLK COUNTY	15,568		
NORTH MIDDLESEX	127,770		
NORTH SHORE	20,115		
NORTHBORO SOUTHBORO	43,855		
NORTHEAST METROPOLITAN	74,242		
NORTHERN BERKSHIRE	23,476		
OLD COLONY	25,048		
OLD ROCHESTER	37,931		
PATHFINDER	33,525		
PENTUCKET	43,487		
PIONEER	15,670		
PLYMOUTH CARVER	174,083		
QUABBIN	67,734		
QUABOAG	44,133		
RALPH C MAHAR	30,715		
SHAWSHEEN VALLEY	66,083		
SILVER LAKE	108,120		
SOUTH MIDDLESEX	51,080		
SOUTH SHORE	31,457		
SOUTHEASTERN	46,149		
SOUTHERN BERKSHIRE	32,549		
SOUTHERN WORCESTER	46,629		
SOUTHWICK TOLLAND	50,776		
SPENCER EAST BROOKFIELD	75,595		
TANTASQUA	56,743		
TRI COUNTY	40,763		
TRITON	44,044		
UPPER CAPE COD	23,458		
WACHUSETT	66,639		
WHITMAN HANSON	43,402		
WHITTIER	59,999		
TOTAL	\$31,323,599		