



Mitchell Adams, Commissioner
Leslie A. Kirwan, Deputy Commissioner

CITY & TOWN

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Education Reform — Questions & Answers

Local and school officials have many questions about the implementation of Chapter 71 of the Acts of 1993, the Education Reform Act. Some frequently asked questions will be answered in this article to assist in understanding this new law. We will keep you informed of other important financial information as Education Reform unfolds.

Q. How much must our community spend for education?

A. To satisfy its obligation under Education Reform for a local school district, a community must appropriate, at a minimum, the Net School Spending requirement established by the Department of Education. This figure is the equivalent of the Minimum Local Spending Requirement (local share) plus Chapter 70 (state share).

For a regional school district, the community must appropriate the Minimum Contribution. Regional school state aid now goes directly to the regions, and they will use it to reach the Net School Spending Requirement. In addition, communities must separately appropriate for the items excluded from the Net School Spending Requirement as explained below.

Q. What expenditure categories are not included in Net School Spending?

A. The following major reporting categories on the Department of Education's End-of-Year Pupil and Financial Report, Schedule 19, are not included

in the calculation of Net School Spending:

Category	Number
Transportation	7500 & 7600
Debt expense	5450, 8100 & 8200
Capital expenses over \$5,000 . . .	7000
Regional school assessments . . .	9500

Q. How was the 1993 base for this year's spending requirement calculated?

A. Net School Spending for 1993 was determined by the Department of Education using FY93 Budget data as submitted by the school district on Schedule 19, part of the 1992 End-of-Year Pupil and Financial Report. It is the sum of school committee appropriations, state aid, including Chapter 70, Equal Education Opportunity Grants, Per Pupil Aid and the municipality's estimated expenditures for school purposes. Not included in the calculation are the items described in the previous question.

Q. How do we figure out if our local appropriation meets the requirements of Education Reform?

A. Start with your FY94 school appropriation. Subtract transportation costs, debt service and capital expenditures. Add amounts budgeted by the municipality outside of the school appropriation for school services such as insurance and administration. Compare this total with the Net School Spending Requirement of the Department of Education. If Net School Spending is greater, the difference is the amount to be ap-

propriated. The difference can be made up by the municipality in one appropriation of both local funds and Chapter 70 funds as needed.

Q. Has Equity Aid been factored into our spending requirement?

A. Yes, Equity Aid, tax relief for communities taxing above the state average, has been subtracted from the Minimum Local Contribution (DOE form #93F82MNG, 7/30/93). This allows the municipality to benefit from Equity Aid while still appropriating the full Chapter 70 amount to the schools. Be sure your community does not subtract Equity Aid again from Net School Spending, or you could be under-funding education unintentionally.

Q. How do we handle transportation, debt and capital expenditure appropriations for local schools?

A. For local schools, (not regional schools) appropriations for transportation *continued on page two* ➔

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Education Reform

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tion, debt and capital expenditures (capital expenditures over \$5,000) may be made within or separate from the regular school budget.

Q. *What happens if actual school spending is less than the appropriation?*

A. Any unspent appropriation balance less than Net School Spending is reserved by the schools and may be spent without further appropriation. To the extent that the unspent balance is below 95% of Net School Spending, that portion may cause a reduction in the following year's state aid. Any unspent amount above Net School Spending reverts to the municipal treasury and will be used in the Free Cash calculation as in the past.

Q. *Can a school district retain unspent funds from last year (1992-93) for this year?*

A. No. No amount was required to be appropriated for the 1992-93 school year; therefore the law does not apply.

Q. *If we voted a budget before Education Reform numbers were available, do we have to hold a special town meeting before setting a tax rate?*

A. The law states that all amounts of Chapter 70 aid must be appropriated. In this first year, Department of Education and the Department of Revenue have agreed to the following:

Scenario 1. Our community's education appropriation covers only the required local spending.

A community may be authorized to issue Preliminary or Actual Property Tax Bill if the community has appropriated at least enough local funds to meet the Minimum Local Contribution, and a Memorandum of Understanding is signed by the Chairs of the Board of Selectmen, School Committee and Fi-

nance Committee agreeing that the Local Aid necessary to meet the Net Spending Requirement of the Department of Education will be appropriated at the next town meeting. This could be a special town meeting or as late as the next regularly scheduled annual town meeting.

Scenario 2. Our community did not appropriate enough to cover the local spending requirement.

A community may be authorized to issue Preliminary Tax Bills if it has not appropriated enough local monies to meet the minimum local contribution, but does have sufficient certified unrestricted funds available, such as Free Cash, Stabilization Account balance or Levy Capacity. They must hold a special town meeting prior to setting the Actual Tax Rate, and the Chairs of the Board of Selectmen, School Committee and Finance Committee must sign a Memorandum of Understanding agreeing that the additional funds necessary to meet the Net Spending Requirement of the Department of Education, at a minimum, will be appropriated at that town meeting.

Q. *We have an unexpected municipal expense and will be unable to meet our required local contribution. What do we do?*

A. The Commissioner of Revenue has the authority to adjust a community's FY94 contribution to local schools if the municipality:

- a. used a non-recurring revenue in the FY93 budget or
- b. must raise funds for an extraordinary expense in FY94.

Municipalities seeking an adjustment must submit their requests in writing to the Department of Revenue by October 1, 1993. Circumstances must be extraordinary and material in nature. (There are no legislative provisions for regional school district adjustments.) ■

New Proposition 2½ Primer Released!

The Division of Local Services recently reissued "Everything You Always Wanted to Know About Levy Limits ... But Were Afraid to Ask" (June 1993). The primer was developed to guide local officials through the mechanics of Proposition 2½.

The purpose of this primer is to explain the basic provisions of Proposition 2½. The pamphlet focuses on those aspects of the law that have been found to cause confusion, for example: the ways in which Proposition 2½ limits the property tax; how the levy limit is calculated; how an override differs from a debt exclusion, capital outlay expenditure exclusion or an underdrive; and how new growth affects the levy limit.

The pamphlet will help local officials understand the concepts of Proposition 2½ and act on behalf of their community with a better understanding of the law. Copies of this publication may be obtained by contacting Elaine Lombardi, Public Information Officer at (617) 727-2300. ■

Education Reform Bulletin Issued

A Bulletin about Education Reform has been sent to Boards of Selectmen, Mayors, Superintendents, Accountants, Finance Committees and Assessors regarding setting FY94 Tax Rates and authorizing issuance of preliminary tax bills in communities with insufficient school appropriations. Included in the Bulletin is an example of the Memorandum of Understanding that must be signed by those communities in certain circumstances. It also includes information on Recalculation of the Local Contribution (waiver provisions). Please see the Bulletin for details. ■

FOCUS

on Municipal Finance

Education Reform and Municipal Revenue Growth Factor

Over two years in the making, a comprehensive new Education Reform Act became law on June 18, 1993 as part of Chapter 71 of the Acts of 1993. The new law makes sweeping changes in educational standards, programs, personnel and governance; the act also significantly alters the financing of local and regional school districts.

This article focuses on one specific aspect of education reform finance for which the Division of Local Services is responsible: the Municipal Revenue Growth Factor (MRGF). The MRGF represents the extent to which a community must share the growth in certain revenues between the schools and other local purposes in order to be deemed to be making adequate maintenance of effort for schools. Most communities are required to increase their local contribution to the schools over the FY93 level by their MRGF.

Before further discussion of the MRGF, it is useful to review some basic elements of education reform finance — the Foundation Budget and the Standard of Effort.

The Foundation Budget is the annual spending target for each school district. Each school district's Foundation Budget is calculated separately, primarily based on pupil characteristics.

This school year, 1993-94, Foundation Budget averages \$5,500 per pupil. In communities where there is a gap between current school spending and the Foundation Budget, the funding provisions of the Education Reform Act are designed to close the gap over a period of years using a combination of state and local funds.

The Standard of Effort is a measure of the community's local contribution to education and is expressed as an implicit school tax rate. It is calculated by dividing the community's Local Contribution to the schools (FY93 proposed local spending on specific school-related costs) by its Equalized

Valuation adjusted for income (ratio of the community's per capita income over the statewide average). The statewide Standard of Effort, \$9.40 per \$1,000 of income adjusted property value, is established in the Education Reform Act.

Table 1 shows the funding requirements for communities according to whether they are above or below the Foundation Budget and above or below the Standard of Effort. If a community was below the Standard of Effort in FY93 (categories 2 and 4), it must increase its spending on schools over the FY93 Local Contribution by the MRGF, at a minimum.

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Table 1

		FY93-94 Local School Spending Requirements Standard of Effort				
		Above		Below		
Foundation Budget	Above	Category 1 Option to Reduce to Standard of Effort		Category 2 Increase by Municipal Revenue Growth Factor	Above	
	Below	Category 3 Level-Fund at FY93 Local Contribution		Category 4 Increase by Municipal Revenue Growth Factor and New Local Effort	Below	
		Above		Below		

FY93-94 State Standard of Effort = \$9.40/\$1000
FY93-94 Foundation Budget - averages \$5,500/per pupil

FY94 Education Reform, Municipal Revenue Growth Factor

MUNICIPALITY	Pct Chg In Levy Limit	Pct Chg In General Revenue Sharing	Pct Chg In Local Receipts	Dollar Increase	Municipal Revenue Growth Factor	MUNICIPALITY	Pct Chg In Levy Limit	Pct Chg In General Revenue Sharing	Pct Chg In Local Receipts	Dollar Increase	Municipal Revenue Growth Factor	MUNICIPALITY	Pct Chg In Levy Limit	Pct Chg In General Revenue Sharing	Pct Chg In Local Receipts	Dollar Increase	Municipal Revenue Growth Factor
ABINGTON	4.49	0.07	-13.46	316,409	2.74%	CHICOPEE	4.07	0.00	0.00	1,251,295	3.10%	HANCOCK	3.89	1.50	-20.60	(16,302)	-1.97%
ACTION	3.88	0.19	-9.23	777,756	2.90%	CHILMARK	4.12	0.00	0.00	80,796	3.92%	HANOVER	4.07	0.00	-28.17	155,878	0.96%
ACUSHNET	4.78	0.00	0.00	234,561	3.78%	CLARKSBURG	3.71	0.18	0.00	28,163	2.70%	HANSON	4.32	0.00	-5.06	224,044	3.10%
ADAMS	3.93	0.06	-7.95	123,574	1.91%	CLINTON	3.35	0.00	-19.69	61,631	0.67%	HARDWICK	5.69	1.02	-9.30	55,264	3.26%
AGAWAM	4.11	0.03	-12.71	567,359	2.38%	COHASSET	3.14	-2.47	-1.36	308,342	2.64%	HARVARD	3.77	0.00	-1.64	194,934	2.79%
ALFORD	4.92	0.00	-10.00	19,997	3.65%	COLRAIN	3.80	0.21	-0.22	44,412	3.26%	HARWICH	4.49	0.51	-41.14	(21,263)	-0.15%
AMESBURY	4.79	0.00	-5.72	490,113	3.65%	CONCORD	3.72	0.47	-21.09	510,055	1.80%	HATFIELD	4.04	-0.02	-10.39	46,676	1.76%
AMHERST	4.91	0.08	-5.39	672,383	3.25%	CONWAY	6.11	0.57	-43.03	11,431	0.71%	HAVERTHILL	5.04	0.00	0.00	1,679,178	3.93%
ANDOVER	4.30	-0.09	-10.44	1,447,026	3.10%	CUMMINGTON	5.29	0.11	-40.85	(2,905)	-0.37%	HAWLEY	3.61	0.88	-49.68	2,329	0.63%
ARLINGTON	2.67	0.00	-1.07	1,052,325	2.04%	DALTON	4.09	0.10	-4.05	171,277	3.00%	HEATH	3.47	0.49	-15.49	17,294	2.05%
ASHBURNHAM	4.12	0.51	-0.33	127,851	3.56%	DANVERS	4.38	0.06	-2.42	1,116,692	3.46%	HINGHAM	3.43	-0.93	-6.35	708,323	2.53%
ASHBY	4.25	1.14	1.59	77,612	3.82%	DARTMOUTH	5.91	0.20	-14.07	777,861	3.60%	HINSDALE	5.68	0.31	-5.51	75,907	4.49%
ASHFIELD	5.15	0.08	-9.59	52,733	3.66%	DEBHAM	3.82	0.00	-11.28	672,924	2.16%	HOLBROOK	3.58	0.00	0.00	278,538	2.99%
ASHLAND	4.55	0.08	0.60	570,887	4.10%	DEERFIELD	4.69	0.18	-12.88	27,553	0.67%	HOLDEN	3.96	0.26	-6.02	357,428	2.77%
ATHOL	4.20	0.06	0.00	159,770	3.04%	DENNIS	3.55	0.01	-2.56	408,657	2.83%	HOLLAND	3.99	1.93	-0.48	74,837	3.63%
ATTLEBORO	3.96	0.00	0.29	902,249	3.28%	DOUGHTON	4.12	0.00	-2.35	159,626	3.26%	HOLLISTON	3.55	0.00	-7.42	351,601	2.45%
AUBURN	4.19	0.00	-2.94	450,011	3.18%	DOUGLAS	6.71	-0.03	-0.98	214,325	5.55%	HOLYOKE	3.86	0.01	7.69	1,099,765	3.57%
AVON	4.87	0.00	0.75	270,028	4.05%	DOVER	4.63	0.20	-10.11	310,459	3.51%	HOPEDALE	4.50	0.00	-13.81	165,258	2.84%
AYER	9.16	0.01	-10.85	505,056	7.05%	DRACUT	4.77	0.02	-6.10	687,453	3.55%	HOPKINTON	6.40	0.31	-16.95	489,497	3.90%
BARNSTABLE	4.58	0.07	0.00	2,027,459	4.03%	DUDLEY	4.47	0.00	-1.82	126,374	2.98%	HUBBARDSTON	7.18	0.36	-0.05	124,206	5.71%
BARRE	7.34	0.45	-2.48	153,885	5.20%	DUNSTABLE	7.13	0.00	-21.34	84,663	3.98%	HUDSON	4.75	0.02	0.00	729,859	4.20%
BECKET	5.66	0.84	-4.64	89,167	4.79%	DUXBURY	3.43	0.05	-10.98	501,520	2.36%	HULL	3.63	0.01	-3.90	328,664	2.53%
BEDFORD	4.56	0.49	-2.50	814,565	3.72%	E BRIDGE WATER	4.97	0.00	0.00	402,500	4.27%	HUNTINGTON	5.08	0.14	-13.47	46,468	2.98%
BELCHERTOWN	7.74	0.29	-11.93	458,299	5.39%	E BROOKFIELD	4.37	0.00	-12.45	29,962	2.03%	IPSWICH	4.23	0.32	-5.34	429,852	3.09%
BELLINGHAM	7.90	0.00	-10.95	675,205	5.47%	E LONGMEADOW	4.56	0.00	-3.88	546,671	3.73%	KINGSTON	6.02	0.06	0.00	488,371	5.28%
BELMONT	2.98	0.00	2.33	932,411	2.76%	EASTHAM	4.01	0.49	0.00	257,056	3.73%	LAKEVILLE	5.31	-4.19	-8.60	196,866	3.18%
BERKLEY	6.83	0.07	4.10	161,885	6.06%	EASTHAMPTON	3.66	0.00	-15.14	135,895	1.45%	LANCASTER	4.35	0.12	-5.85	132,438	3.00%
BERLIN	4.22	0.00	-28.49	25,325	1.07%	EASTON	3.69	0.07	-6.67	487,700	2.61%	LANESBOROUGH	4.42	0.21	1.36	136,758	3.95%
BERNARDSTON	4.14	0.23	-6.40	47,374	2.75%	EDGARTOWN	4.00	2.32	-0.00	266,302	3.46%	LAWRENCE	3.72	0.00	2.47	1,070,776	2.91%
BEVERLY	3.68	-0.75	-3.73	1,109,185	2.66%	EGREMONT	4.05	0.27	-7.36	51,203	3.02%	LEE	4.13	0.23	0.11	191,217	3.42%
BILLERICA	4.49	0.04	7.02	1,868,717	4.18%	ERVING	3.27	0.35	-18.19	46,387	1.90%	LEICESTER	4.64	0.05	-7.42	177,153	2.85%
BLACKSTONE	4.80	0.06	-22.22	84,687	1.59%	ESSEX	4.57	0.01	8.25	151,776	4.70%	LENOX	4.98	0.04	-37.97	(362,367)	-4.71%
BLANDFORD	4.15	0.25	-16.87	1,534	0.16%	EVERETT	4.46	0.00	6.30	1,904,815	3.95%	LEOMINSTER	4.22	0.03	-16.13	620,846	2.10%
BOLTON	4.79	0.12	-33.22	82,352	1.79%	FAIRHAVEN	3.92	0.04	-9.61	319,010	2.34%	LEVERETT	4.37	0.05	-5.25	62,276	3.56%
BOSTON	6.21	-0.02	-8.37	24,291,590	2.35%	FALL RIVER	4.19	0.01	0.73	1,418,094	2.69%	LEXINGTON	3.01	0.18	-1.42	1,337,008	2.71%
BOURNE	4.21	1.01	-5.22	547,806	3.17%	FALMOUTH	3.78	0.45	-13.70	758,557	2.15%	LEYDEN	4.81	0.04	-5.68	27,351	3.92%
BOXBOROUGH	7.19	0.00	-4.64	316,074	6.01%	FITCHBURG	3.46	0.01	-7.29	487,927	2.05%	LINCOLN	4.29	0.49	-28.36	151,855	1.51%
BOXFORD	4.42	0.09	-12.04	221,058	2.79%	FLORIDA	4.51	1.18	-28.82	30,032	2.87%	LITTLETON	4.46	0.00	-4.18	322,611	3.36%
BOYLSTON	4.95	0.00	-0.12	150,698	3.84%	FOXBOROUGH	3.86	0.13	-2.63	439,104	2.99%	LONGMEADOW	3.55	0.00	-1.97	597,653	2.76%
BRAINTREE	3.39	0.00	-6.16	860,569	2.01%	FRAMINGHAM	3.38	0.06	0.00	2,274,049	2.77%	LOWELL	4.13	0.01	-0.22	2,263,512	2.93%
BREWSTER	4.31	-1.07	-19.55	191,843	1.76%	FRANKLIN	6.16	0.09	-10.10	904,767	4.40%	LUDLOW	5.17	0.01	-5.67	461,831	2.82%
BRIDGE WATER	5.54	0.36	-0.28	620,682	4.51%	FREETOWN	4.39	0.33	-0.63	249,415	3.67%	LUNENBURG	3.94	0.03	-3.65	238,060	3.08%
BRIMFIELD	6.05	0.37	-8.03	113,645	4.37%	GARDNER	3.67	0.02	0.00	330,955	2.73%	LYNN	3.44	0.00	-10.38	1,296,823	1.74%
BROCKTON	3.48	0.00	-0.11	1,835,139	2.56%	GAY HEAD	3.97	0.00	-15.22	31,134	3.18%	LYNNFIELD	3.33	0.05	-10.18	267,447	1.79%
BROOKFIELD	4.95	0.04	-1.43	72,592	3.76%	GEORGETOWN	5.66	0.09	0.02	260,940	4.80%	MALDEN	3.44	0.00	-3.88	1,003,049	2.14%
BROOKLINE	3.75	0.00	-1.73	2,484,785	3.14%	GILL	4.31	0.03	-31.90	568	0.05%	MANCHESTER	3.31	0.00	-3.53	223,672	2.71%
BUCKLAND	3.56	0.03	-24.60	14,477	0.91%	GLOUCESTER	3.93	0.01	-9.51	871,059	2.53%	MANSFIELD	5.89	0.00	-2.65	910,751	4.54%
BURLINGTON	3.89	0.00	-0.04	1,390,654	3.37%	GOSHEN	4.12	0.75	-0.29	33,167	3.59%	MARBLEHEAD	2.85	0.00	-6.95	458,263	1.84%
CAMBRIDGE	4.89	0.00	-14.03	5,036,118	2.92%	GOSNOLD	2.79	2.36	-9.80	4,922	1.85%	MARION	3.82	0.00	-1.63	208,551	3.40%
CANTON	4.61	0.04	-1.04	1,008,464	3.89%	GRAFTON	3.82	0.01	-11.71	188,435	1.82%	MARLBOROUGH	4.98	0.02	-0.08	1,908,927	4.09%
CARLISLE	4.21	1.19	-27.39	140,029	2.02%	GRANBY	5.46	0.10	0.00	178,612	4.39%	MARSHFIELD	3.56	0.01	-12.90	478,860	2.04%
CARVER	4.17	0.36	0.00	333,560	3.56%	GRANVILLE	5.23	0.39	-11.24	28,802	2.08%	MASHPEE	4.74	2.65	-4.27	609,500	4.10%
CHARLEMONT	5.84	0.11	-6.98	53,393	4.59%	GT BARRINGTON	4.57	0.17	-6.73	287,263	3.39%	MATTAPoisETT	3.60	0.00	-0.92	224,017	3.17%
CHARLTON	6.66	0.02	-5.32	241,920	4.47%	GREENFIELD	3.82	0.00	-6.19	342,499	2.20%	MAYNARD	4.45	0.00	-0.00	444,995	3.69%
CHATHAM	3.23	0.00	0.86	369,875	3.73%	GROTON	6.00	0.11	-16.35	281,553	4.01%	MEDFIELD	5.00	0.13	0.00	549,255	4.15%
CHELMSFORD	3.39	0.00	0.00	1,074,180	2.75%	GROVELAND	4.34	0.09	-12.58	106,634	2.52%	MEDFORD	4.39	0.00	-4.52	1,665,786	2.91%
CHELSEA	4.08	0.02	3.56	662,471	2.87%	HADLEY	4.52	0.52	-4.07	116,041	3.13%	MEDWAY	5.63	0.00	12.30	602,581	5.75%
CHESTER	4.48	0.19	-0.53	59,449	3.23%	HALIFAX	4.35	0.03	-2.40	173,894	3.42%	MELROSE	3.21	0.00	-0.05	760,399	2.51%
CHESTERFIELD	5.91	0.20	-8.51	37,132	4.06%	HAMILTON	3.18	0.11	-12.06	181,425	2.02%	MENDON	4.88	0.00	-4.80	127,368	3.82%
	4.29	0.48	-22.20	25,549	2.46%	HAMPDEN	4.80	0.00	-0.00	170,705	4.08%	MERRIMAC	5.42	0.00	3.02	176,572	4.73%

MUNICIPALITY	Pct Chg In Levy Limit	Pct Chg In Revenue Sharing	Pct Chg In Local Receipts	Dollar Increase	Municipal Revenue Growth Factor	MUNICIPALITY	Pct Chg In Levy Limit	Pct Chg In Revenue Sharing	Pct Chg In Local Receipts	Dollar Increase	Municipal Revenue Growth Factor	MUNICIPALITY	Pct Chg In Levy Limit	Pct Chg In Revenue Sharing	Pct Chg In Local Receipts	Dollar Increase	Municipal Revenue Growth Factor			
METHUEN	3.83	0.00	-6.06	967,123	2.76%	PRINCETON	4.45	0.54	-11.57	98,815	2.77%	TYNGSBOROUGH	6.13	0.04	-24.26	254,882	3.04%			
MIDDLEBORO	5.66	0.08	3.74	728,764	5.07%	PROVINCETOWN	3.98	0.38	-3.28	252,525	3.05%	TYRINGHAM	4.39	0.48	-5.13	21,648	3.58%			
MIDDLEFIELD	5.77	1.09	-0.43	27,084	5.12%	QUINCY	4.82	0.00	-0.07	3,662,539	3.65%	UPTON	6.13	0.35	-0.05	190,625	5.05%			
MIDDLETON	4.62	-0.38	-18.86	113,843	1.74%	RANDOLPH	3.29	0.00	0.00	704,590	2.55%	UXBRIDGE	5.43	0.07	0.00	352,265	4.52%			
MILFORD	5.85	0.00	-1.58	1,137,443	4.78%	RAYNHAM	5.99	0.02	0.00	431,985	4.97%	WAKEFIELD	3.88	0.01	0.00	949,201	3.22%			
MILLBURY	3.98	0.00	-4.30	237,894	2.73%	READING	3.52	0.02	-5.93	587,550	2.26%	WALES	6.28	0.77	0.14	70,784	5.34%			
MILLIS	3.26	0.00	-1.01	181,028	2.55%	REHOBOTH	4.86	0.03	-2.60	294,399	3.96%	WALPOLE	4.64	0.04	-1.64	840,327	3.75%			
MILLVILLE	5.48	0.00	-24.79	32,765	1.86%	REVERE	3.58	-0.03	-2.64	1,050,860	2.39%	WALTHAM	5.82	-1.13	0.00	3,301,527	4.48%			
MILTON	3.02	0.00	3.20	822,412	2.76%	RICHMOND	4.35	-0.04	-4.75	72,650	3.40%	WARE	4.38	0.02	0.00	211,023	3.42%			
MONROE	5.53	0.42	-20.96	10,065	3.54%	ROCHESTER	5.21	0.05	-1.97	121,796	2.62%	WAREHAM	3.90	0.01	15.10	769,848	4.53%			
MONSON	5.38	0.14	-21.09	122,057	2.21%	ROCKLAND	4.81	0.00	5.45	524,477	4.24%	WARREN	6.87	0.00	-15.91	111,788	4.08%			
MONTAGUE	6.33	0.31	-17.14	261,878	4.01%	ROCKPORT	3.17	0.15	0.71	233,664	2.83%	WARWICK	4.99	0.94	0.00	30,016	4.17%			
MONTEREY	5.75	1.04	-10.70	50,652	4.28%	ROWE	2.83	1.70	-18.00	30,479	1.81%	WASHINGTON	4.44	0.18	16.31	16,631	3.34%			
MONTGOMERY	4.41	0.05	-27.81	7,855	1.08%	ROWLEY	5.49	0.10	-10.93	120,105	2.87%	WATERTOWN	2.95	0.00	2.54	971,633	2.42%			
MT WASHINGTON	4.55	1.43	-65.40	(3,078)	-1.24%	ROYALSTON	3.98	2.42	-13.70	10,464	1.57%	WAYLAND	3.77	0.04	-8.67	550,719	2.68%			
NAHANT	3.15	0.00	0.73	114,661	2.78%	RUSSELL	4.27	0.00	-16.54	28,254	2.15%	WEBSTER	4.52	0.00	-11.84	191,576	1.98%			
NANFUCKET	4.87	1.92	-11.57	556,318	3.10%	RUTLAND	5.42	0.19	-5.47	137,723	3.69%	WELLESLEY	3.28	0.00	-14.30	601,403	1.58%			
NATICK	3.58	0.04	-10.50	761,605	1.96%	SALEM	3.31	0.01	-0.08	1,170,603	2.57%	WELLFLEET	3.94	0.01	-0.60	171,293	3.58%			
NEEDHAM	3.34	0.00	-10.86	827,643	2.09%	SALISBURY	3.76	0.86	9.90	281,237	4.18%	WENDELL	6.07	0.31	-23.80	24,813	2.96%			
NEW ASHFORD	2.98	1.16	-12.41	2,299	1.51%	SANDSFIELD	3.54	1.51	-43.00	1,822	0.15%	WENHAM	3.94	0.01	-0.59	159,406	3.33%			
NEW BEDFORD	4.68	0.00	-4.77	1,835,759	3.11%	SANDWICH	5.14	1.66	-17.36	563,741	2.99%	W BOYLSTON	4.35	0.00	-8.00	184,411	2.85%			
NEW BRAINTREE	5.02	-1.96	-24.49	13,187	1.98%	SAUGUS	4.26	0.00	2.87	1,049,304	3.68%	W BRIDGEWATER	4.24	0.08	-0.33	264,429	3.63%			
NEW MARLBORO	4.64	0.97	-0.72	59,585	4.17%	SAVOY	5.09	0.86	-8.56	16,480	3.30%	W BROOKFIELD	3.96	0.25	-24.60	9,261	0.39%			
NEW SALEM	5.17	0.16	-0.55	21,504	3.14%	SCITUATE	3.38	0.00	-2.64	589,919	2.70%	W NEWBURY	4.03	0.06	-12.77	99,073	2.38%			
NEWBURY	4.01	0.97	0.00	200,109	3.64%	SEEKONK	4.38	0.00	0.00	536,635	3.78%	W SPRINGFIELD	5.18	0.00	-2.28	1,217,397	4.37%			
NEWBURYPORT	4.02	-0.02	12.22	753,729	3.87%	SHARON	4.30	0.14	-9.70	638,410	3.12%	W STOCKBRIDGE	5.18	0.03	-20.02	75,510	3.62%			
NEWTON	3.53	0.00	-6.35	3,398,400	2.56%	SHEFFIELD	5.17	0.11	0.00	166,969	4.58%	W TISBURY	4.16	1.30	-0.05	148,090	3.72%			
NORFOLK	4.28	0.58	-8.02	261,188	3.13%	SHELBURNE	4.28	0.03	-26.75	16,539	1.05%	WESTBOROUGH	4.78	0.12	-5.87	805,773	3.65%			
N ADAMS	3.33	0.02	8.23	284,243	2.96%	SHERBORN	3.82	0.04	-29.09	116,836	1.56%	WESTFIELD	3.93	0.08	-23.74	285,388	0.94%			
N ANDOVER	3.66	0.22	-13.73	471,861	2.01%	SHIRLEY	5.08	0.07	-0.01	130,994	3.71%	WESTFORD	4.66	0.00	-2.37	734,526	3.71%			
N ATTLEBORO	5.80	0.00	-12.28	767,215	3.75%	SHREWSBURY	4.80	0.18	-7.81	738,598	3.05%	WESTHAMPTON	4.59	0.00	-4.22	43,467	3.63%			
N BROOKFIELD	3.87	0.00	-16.79	34,831	1.31%	SHUTESBURY	5.40	0.24	-2.96	75,996	4.26%	WESTMINSTER	5.52	0.35	-11.60	133,327	3.02%			
N READING	4.70	0.02	-21.57	321,371	2.08%	SOMERSET	5.23	0.01	-0.05	1,158,684	4.82%	WESTON	3.30	0.00	-11.86	461,731	2.15%			
NORTHAMPTON	3.92	0.06	-7.24	530,453	2.34%	SOMERVILLE	3.05	0.00	-8.33	749,029	1.00%	WESTPORT	3.73	0.47	-2.03	312,633	2.93%			
NORTHBOROUGH	4.30	0.25	-0.42	557,401	3.72%	SOUTH ADLEY	4.54	0.01	-6.55	365,476	3.03%	WESTWOOD	4.16	0.00	2.87	880,208	3.99%			
NORTHBRIDGE	4.30	0.03	-10.75	184,313	2.39%	SOUTHAMPTON	4.68	0.02	-11.41	95,476	2.71%	WEYMOUTH	3.44	0.01	0.69	1,331,885	2.77%			
NORTHFIELD	4.53	0.23	4.76	102,867	4.35%	SOUTHBOROUGH	4.20	0.01	-7.61	253,445	2.61%	WHATELY	6.51	0.00	-9.78	58,521	3.76%			
NORTON	6.05	0.02	-1.86	591,537	4.86%	SOUTHBRIDGE	4.12	0.00	-20.53	19,262	0.19%	WHITMAN	4.21	0.00	-0.01	331,170	3.47%			
NORWELL	3.86	0.00	0.00	478,239	3.32%	SOUTHWICK	5.47	0.01	-8.43	249,739	4.08%	WILBRAHAM	4.04	0.05	-7.28	378,760	2.90%			
NORWOOD	3.35	0.00	0.00	852,681	2.56%	SPENCER	4.36	-0.33	-1.86	160,040	2.83%	WILLIAMSBURG	4.02	0.01	-8.13	55,230	2.77%			
OAK BLUFFS	4.70	0.60	-35.12	100,074	1.50%	SPRINGFIELD	3.66	0.00	1.19	3,329,561	2.92%	WILLIAMSTOWN	3.47	0.09	-13.74	87,568	1.26%			
OAKHAM	4.68	1.34	-12.32	21,586	2.02%	STERLING	4.99	0.04	-0.08	246,233	4.13%	WILMINGTON	4.46	0.00	-1.18	957,555	3.61%			
ORANGE	4.20	0.05	-8.16	112,386	2.31%	STOCKBRIDGE	3.39	2.17	-8.22	81,513	2.29%	WINCHENDON	5.50	0.07	-0.00	209,531	4.27%			
ORLEANS	3.36	0.01	0.00	276,398	3.05%	STONEHAM	3.36	0.00	0.04	639,112	2.62%	WINCHESTER	3.42	0.00	-0.50	889,412	3.03%			
OTIS	3.81	1.68	-4.74	62,290	3.25%	STOUGHTON	4.68	0.00	-6.20	1,071,990	3.99%	WINDSOR	4.98	0.65	-10.88	21,751	3.06%			
OXFORD	5.21	0.00	-19.01	137,786	1.53%	STOW	3.48	0.02	-6.46	203,699	2.79%	WINTHROP	2.70	0.00	-3.98	204,040	1.36%			
PALMER	4.55	0.02	-0.04	284,194	3.58%	STURBRIDGE	4.00	1.77	-8.88	156,549	1.86%	WOBURN	4.41	0.00	0.61	1,525,535	3.48%			
PAXTON	4.15	0.77	-4.50	113,141	3.06%	SUDBURY	3.65	0.01	-2.47	761,330	3.04%	WORCESTER	4.18	0.01	1.67	4,440,479	3.17%			
PEABODY	3.58	0.00	2.20	1,525,791	3.04%	SUNDERLAND	5.50	0.15	-3.39	68,053	3.81%	WORTHINGTON	4.35	0.60	-0.43	38,848	3.73%			
PELHAM	3.10	0.35	-11.94	25,951	1.78%	SUTTON	5.45	0.38	0.00	262,453	4.57%	WRENTHAM	4.76	0.70	-8.23	319,019	3.51%			
PEMBROKE	4.25	0.00	-4.10	464,075	3.32%	SWAMPSCOTT	3.06	0.00	-0.75	496,098	2.64%	YARMOUTH	4.25	0.00	-4.37	751,209	3.14%			
PEPPERELL	4.51	0.14	-13.49	193,820	2.62%	SWANSEA	4.37	0.00	0.00	456,636	3.62%									
PERU	4.84	0.97	-28.48	16,679	2.37%	TAUNTON	5.64	0.07	-3.38	1,419,847	4.09%	STATE TOTALS	4.43	0.00	-5.79	191,338,815	2.90%			
PETERSHAM	3.12	5.98	-38.99	(123,339)	-9.75%	TEMPLETON	5.36	0.16	-16.16	15,054	0.54%									
PHILLIPSTON	5.28	1.19	8.45	40,332	5.21%	TEWKSBURY	5.47	0.18	0.00	1,264,237	4.75%									
PITTSFIELD	4.73	0.01	0.59	1,511,061	3.75%	TISBURY	5.58	0.03	-55.62	49,036	0.61%									
PLAINFIELD	4.07	1.66	-23.41	13,635	1.98%	TOLLAND	4.63	1.28	-17.30	11,359	2.84%									
PLAINVILLE	4.16	0.03	0.25	211,652	3.57%	TOPSFIELD	3.71	0.09	-6.34	197,169	2.64%									
PLYMOUTH	4.60	0.62	-0.28	2,576,471	4.19%	TOWNSEND	4.61	0.43	-11.60	173,713	2.89%									
PLYMPTON	5.23	0.00	-9.07	94,880	3.64%	TRURO	3.88	0.00	-2.68	105,292	3.00%									

Table 2

Education Reform

→ continued from page three

Calculating the MRGF

The MRGF represents a combined percentage increase in the following four revenue components:

- automatic 2½ percent increase in the FY93 levy limit
- estimated new growth FY94
- change in general revenue sharing FY93 to FY94
- change in unrestricted local receipts, actual FY92 to estimated FY93

The methodology for calculating each component is presented below.

2½ Percent Increase in the Levy Limit

The FY93 levy limit, which excludes amounts from any debt or capital exclusions and also excluding overrides voted after June 30, 1993, is increased by 2½ percent.

Estimated New Growth FY94

The most recent three years of new levy growth (from new construction) are averaged in terms of the percentage increase they accounted for in the previous year's limit. The maximum of these three percentages is compared to the average of the other two. If the difference exceeds two percentage points, then the maximum is considered to represent a possible aberration that is not likely to recur in FY94. In this case, the lowest three years out of the most recent four years are used to estimate the new growth rate of increase. This rate is applied to the FY93 levy limit.

Change in General Revenue Sharing State Aid FY93-FY94

The combined change in Cherry Sheet estimated receipts for the Additional Assistance, Lottery and State Owned Land accounts between FY93 and

FY94 is calculated for each city and town. Since Additional Assistance and Lottery have been level funded for all communities, this factor causes negligible changes in revenue for most communities. (The new \$20 million in Municipal Stabilization Aid does not qualify as a Lottery increase for the purposes of the Chapter 70 formula.)

Change in Unrestricted Local Receipts, FY92-FY93

The combined change between the actual FY92 and estimated FY93 amounts on Schedule A of the Tax Rate Recapitulation Sheet is calculated for each municipality. The revenue categories included are:

- motor vehicle excise
- other excise
- penalties and interest on taxes and excise
- payment in lieu of taxes
- fines and forfeits
- investment income
- recurring miscellaneous receipts

One-time increases or decreases created by the sale of assets, emergency grants or other factors are not counted in any of these categories, nor are any revenues associated with the provision of specific services, such as water, sewer or trash.

The average Municipal Revenue Growth Factor was 2.9%. The information provided in Table 2, the 351 listing of cities and towns, will enable local officials to see each of the component percentage changes, the resulting dollar increase to the base and the Municipal Revenue Growth Factor for their municipality. To determine the estimated New Growth percentage, subtract the automatic Levy Limit increase of 2.5% from the first column, Percent Change in Levy Limit. If you have any questions, please call Roger Hatch at 617-727-2300. ■

Farewell To Julie Slavet

The Division of Local Services lost a valuable staff member recently when Julie Slavet left after seven years of service to relocate to another state. A prime contributor and analyst for City and Town, Julie will be missed by readers and fellow workers alike.

Julie began working at the Division as a member of the Executive Staff where she was in charge of Special Projects. In addition, Julie was a member of a traveling team providing seminars and workshops for city and town officials and citizen groups explaining Proposition 2½. She soon became a major contributor to City & Town as an Editorial Board member. Julie's articles were seen frequently in the Focus section of the newsletter. She was a driving force behind analyses in the publication, which has played a key role in educating and informing our readers.

In 1991, Julie joined the Municipal Data Management and Technical Assistance Bureau (MDM/TAB) in her most recent position as Local Aid Analyst. Julie's responsibilities included preparation of the Cherry Sheets, seeing that local officials received local aid payments, explaining the various programs to local officials, and interpreting new legislation as it pertained to local aid. All the while, Julie kept writing for this publication. We will miss her positive approach and invaluable contributions. We wish her all the best the future can offer. ■

DLS UPDATE

Fall Courses and Seminars...

"What's New in Municipal Law?"

The legal staff of the Division of Local Services will conduct two seminars focused on new laws and recent court decisions pertaining to local government. These day-long seminars, titled "What's New in Municipal Law," will be held at 8:30 a.m. on Friday, October 1 at the Sheraton Tara in Framingham and Wednesday, October 6 at the Ramada Inn in West Springfield.

DLS speakers are specialists in municipal law, particularly in property taxation and municipal finance. In their daily work, they interpret new legislation and respond to the legal concerns of local officials. The topics to be discussed include: education reform, revolving funds, town meeting procedures, recent developments in bankruptcy, court cases, and new legislation.

A Bulletin with information regarding registration, a list of topics and an optional luncheon menu has been mailed to all communities.

All local officials are invited to attend these "What's New in Municipal Law" seminars. These sessions will provide local officials with an opportunity to ask questions of Division staff and exchange ideas and experiences.

Accountants/Auditors Course

The Accountants/Auditors course is a three-day intensive training course designed for town accountants/city auditors and assistants. Topics include: the budget process, Proposition 2½, the recapitulation sheet, recording the budget, procurement, municipal audits,

borrowing, preparing financial statements, accounting for special funds and year-end procedures. Also included are: the Department's interpretation of relevant laws plus the Division's recommended procedures.

This course will be held in Auburn, from 9:00 a.m.-4:00 p.m., on the following Thursdays: October 21, 28 and November 4.

Assessment Administration: Law Procedures and Valuation

This is the Department of Revenue's basic Course 101 for assessors. Attendance and successful completion of the examination fulfills the minimum qualification requirements for assessors established by 830 Code of Massachusetts Regulations (CMR) 58.3.1. Assessors and certain assistant assessors must fulfill these minimum qualifications within two years of the date of their original election or appointment.

This 10-week course will be held at the Wayland Town Hall, 41 Cochituate Road, Wayland, Wednesdays 7:00 p.m.-10:00 p.m. Class dates are: September 22, 29, October 6, 13, 20, 27, November 3, 10, 17 and December 1. (No classes will be held November 24 due to the Thanksgiving holiday.)

Assessment Office Procedures Course

The Department of Revenue's Course 100 covers the practical aspects of assessing and is designed primarily for assessors' office staff.

This course will be held at the Fall River City Hall, Fall River, Mondays 1:00 p.m.-4:00 p.m. Class dates are: October 18, 25, November 1, 8 and 15.

A Bulletin detailing courses 101 and 100 plus registration information has been mailed to all Boards of Assessors.

Collectors/Treasurers Course

This course is designed for new municipal collectors, treasurers and their staff. Training includes: forms, guidelines and procedures as well as interacting with experienced treasurers and collectors. Instructors include DLS attorneys from the Property Tax Bureau and accountants from the Bureau of Accounts. A representative from the Massachusetts Land Court, and an investment specialist will also share their expertise with course participants.

This course will be held in Montague, Tuesdays 7:00p.m.-10:00 p.m. Class dates are: October 19, 26, and November 2, 9 and 16.

Please contact Division of Local Services Training Coordinator, Barbara LaVertue at (617) 727-2300 if you would like more information on our courses, workshops and seminars. ■

Municipal Fiscal Calendar

October 1

Collector: Mail First Half of Semi-Annual Tax Bills

Accountant: Prior to the Budget Process, Begin Estimating Municipal Revenues for Next Fiscal Year (Based on the Prior Fiscal Year)

Taxpayer: Last Date to File Application to Have Land Valued and Taxed as Agricultural/Horticultural Land or Recreational Land

Taxpayer: Last Day to File Abatement Applications — According to M.G.L. Chapter 59, Section 59, applications for abatements are due for tax bills mailed by September 1, or 30 days after mailing.

October 31

Accountant: Submit Schedule A for Prior Fiscal Year — This report is a statement of the revenues received, expenditures made, and all other transactions related to the town's finances during the previous fiscal year.

The Schedule A classifies revenues and expenditures into detailed categories that will provide information essential for an analysis of revenues and expenditures generated by various departments. These data, like other financial information reported to DOR, are in DOR's Municipal Data Bank; as such, we may provide time series, comparative and other types of analysis at the request of the town. This information is also sent to the U.S. Census Bureau and eliminates a prior federal reporting requirement.

Failure to file by this date may result in withholding major distributions of state aid until the Schedule A is accepted by Bureau of Accounts.

Selectmen: Begin Establishing Next Fiscal Year Budget Guidelines and Requesting Department Budgets

Assessor: Begin Tax Rate Recapitulation Sheet (Quarterly Tax Communities) — The town should begin gathering the information in order to provide enough time for the tax rate to be set and tax bills mailed by January 1. See August's Complete Tax Rate Recapitulation Sheet.

Data Bank Highlight Municipal Revenue Growth Factor

The detailed calculations that produced the *Municipal Revenue Growth Factor* discussed in this issue are available in printout form or in LOTUS format. They are also available on the on-line access system.

The *Municipal Data Bank* is a clearinghouse for a wide-variety of municipal financial and socioeconomic data. This information can be obtained on printouts or diskettes (617-727-2300 x476) as well as via computer modem on the *On-Line Access System* (617-727-4401). There is no charge to public officials.

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