

legislative bulletin

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To: Affected School Committee Members and Superintendents

From: Stephen J. Finnegan, Esq.

Date: May 23, 2013

SUBJECT: THE SENATE COMMITTEE ON WAYS AND MEANS NET SCHOOL SPENDING RECOMMENDATIONS

RETIRED TEACHERS' HEALTHCARE COSTS TO BE COUNTED AS NET SCHOOL SPENDING ACCORDING TO SECTION 3 OF THE SENATE WAYS AND MEANS VERSION OF THE STATE BUDGET

DESE, by law, could not consider health costs for retired teachers to be part of net school spending for any district in which such costs were not considered part of net school spending in fiscal year 1994. The above referenced language was contained in H. 3401 the final 2014 budget as passed by the House of Representatives. The Senate Ways and Means Committee recommended a different approach for the 127 districts whose retired teacher healthcare costs were not included in their FY 1994 budget. The budget currently before the Senate contains the following provisions concerning this matter: "Notwithstanding any general or special law to the contrary, for fiscal year ending June 30, 2014, the commissioner of elementary and secondary education shall begin a 4-year phase in of equal increments to include health care costs for retired teachers as part of net school spending, as defined in section 2 of chapter 70 of the General Laws, for any district in which such costs were not considered part of net school spending in the fiscal year ending June 30, 1994. For fiscal year 2014, 1 quarter of such cost shall be included in calculating fulfillment of net school spending requirements; provided further, that in districts currently in level IV or level V status under the commonwealth's accountability and assistance system, the commissioner may delay or limit the inclusion of such

costs in calculating net school spending until such time as their status is lowered to level III or below at which time the commissioner shall begin, or resume, a 4-year phase in of the remaining costs; and provided further, that during the 4-year phase in period authorized under this section, the commissioner may waive penalties associated with deficiencies in net school spending requirements up to an amount that can be attributed to non-inclusion of health care costs for retired teachers if the commissioner approves a schedule submitted by the district to meet such requirements no later than at the end of the 4-year phase in period."

For some districts who spend substantially above net school spending currently the effect of this proposed change may not be so severe. However, there are a number of districts that would be substantially negatively impacted in the aggregate over the four years by approximately \$20 million. Since this matter is not contained in the House budget it will be, if passed by the Senate, the subject of a conference committee. In conference changes may be made to this language. MASC recommends that school districts contact their legislators, after having their business managers analyze the language and figures contained below. It is the position of MASC that significant changes of this nature should go through normal legislative process. You may find the printout containing the affected districts and the potential costs associated with this net school spending change on the MASC website.

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FY12 Retired Teachers Health Insurance (*=FY11)
 Compared to Net School Spending and Requirement
 Districts Whose Expenditures For Retired Teachers Health Insurance Do Not Count Toward Meeting the Requirement

lea	district	FY11 data=*	required net school spending	actual net school spending	amount above or below requirement	retired teachers health ins gen fund	potential negative impact on school budget
2	ACTON		19,731,359	25,316,724	5,585,365	268,098	0
9	ANDOVER		54,090,489	74,455,264	20,364,775	1,914,379	0
20	BARNSTABLE		51,917,318	60,262,102	8,344,784	2,666,428	0
25	BELLINGHAM		22,359,942	24,869,995	2,510,053	5,500	0
26	BELMONT		34,271,217	41,107,994	6,836,777	394,557	0
28	BERLIN		1,821,780	3,227,713	1,405,933	0	0
35	BOSTON		757,231,860	815,425,788	58,193,928	49,260,130	0
36	BOURNE		21,862,334	24,320,798	2,458,464	1,227,692	0
37	BOXBOROUGH		4,331,929	6,227,811	1,895,882	82,140	0
39	BOYLSTON		3,023,290	4,458,518	1,435,228	0	0
40	BRAINTREE		47,773,436	55,443,852	7,670,416	0	0
41	BREWSTER		4,847,579	7,862,167	3,014,588	180,630	0
43	BRIMFIELD		2,587,337	3,606,938	1,019,601	10,137	0
44	BROCKTON	*	163,765,541	164,985,242	1,219,702	6,566,863	5,347,161
45	BROOKFIELD		2,345,503	3,131,351	785,848	76,879	0
46	BROOKLINE		59,481,712	94,729,091	35,247,379	5,364,796	0
63	CLARKSBURG		2,299,532	2,446,842	147,310	80,950	0
65	COHASSET		12,373,899	17,446,760	5,072,861	833,623	0
67	CONCORD	*	16,201,039	28,972,551	12,771,512	192,243	0
68	CONWAY		1,580,282	1,915,754	335,472	32,014	0
73	DEDHAM		27,589,999	39,139,410	11,549,411	1,373,780	0
74	DEERFIELD		3,729,381	4,482,460	753,079	97,286	0
78	DOVER		4,913,115	8,061,823	3,148,708	200,570	0
82	DUXBURY		28,301,955	31,977,458	3,675,503	945,627	0
85	EASTHAM		2,295,096	4,332,010	2,036,914	81,674	0
86	EASTHAMPTON	*	17,477,531	18,578,991	1,101,460	483,489	0
89	EDGARTOWN		3,452,384	8,135,140	4,682,756	254,552	0
91	ERVING		2,454,043	3,709,434	1,255,391	80,925	0
96	FALMOUTH		35,070,492	47,924,810	12,854,318	0	0
98	FLORIDA		913,489	1,180,850	267,361	66,079	0
101	FRANKLIN		56,131,079	61,017,525	4,886,446	545,555	0
103	GARDNER		24,492,666	24,541,777	49,111	58,960	9,849
110	GRAFTON		24,094,666	25,102,221	1,007,555	606,824	0
111	GRANBY		8,944,223	9,322,996	378,773	37,480	0
117	HADLEY		5,836,173	7,175,862	1,339,689	0	0
121	HANCOCK	*	957,836	1,098,802	140,966	0	0
122	HANOVER		22,402,228	25,480,278	3,078,050	486,918	0
126	HARWICH		13,064,254	19,440,502	6,376,248	0	0
127	HATFIELD		3,749,188	4,617,056	867,868	114,296	0
131	HINGHAM		34,007,006	39,655,400	5,648,394	2,410,720	0
135	HOLLAND		2,002,781	2,390,877	388,096	43,706	0
136	HOLLISTON	*	23,212,298	28,985,217	5,772,919	568,641	0
138	HOPEDALE		10,757,310	11,481,117	723,807	27,765	0
144	IPSWICH		17,237,475	20,046,936	2,809,461	901,963	0
148	LANESBOROUGH	*	2,181,331	3,217,534	1,036,203	205,685	0
149	LAWRENCE		152,346,057	148,936,607	-3,409,450	5,373,575	3,409,450
154	LEVERETT		1,195,994	2,147,679	951,685	16,301	0
163	LYNN		156,427,178	155,010,049	-1,417,129	0	0
164	LYNNFIELD		20,430,089	24,089,765	3,659,676	1,019,247	0
167	MANSFIELD		42,881,799	44,152,262	1,270,463	1,546,683	276,220
169	MARION		3,520,481	5,365,383	1,844,902	0	0
171	MARSHFIELD		41,518,381	44,106,357	2,587,976	434,346	0
173	MATTAPOISETT		4,074,970	6,659,663	2,584,693	176,079	0
174	MAYNARD		12,198,457	15,893,606	3,695,149	1,215,621	0
177	MEDWAY		23,018,805	27,063,740	4,044,935	277,026	0
181	METHUEN	*	70,765,265	67,693,209	-3,072,056	2,303,932	2,303,932
185	MILFORD		39,488,612	44,143,386	4,654,774	1,347,773	0
189	MILTON		33,820,986	40,056,600	6,235,614	1,313,455	0
196	NAHANT		3,151,864	3,401,332	249,468	0	0
197	NANTUCKET		12,235,930	24,014,684	11,778,754	732,227	0
209	NORTH ADAMS		17,908,672	18,166,554	257,882	1,165,859	907,977
210	NORTHAMPTON		26,878,813	30,057,233	3,178,420	1,462,674	0

217	NORTH READING	24,353,270	28,470,137	4,116,867	802,578	0
218	NORTON	26,830,644	28,921,990	2,091,346	1,392,048	0
219	NORWELL	19,753,775	23,749,084	3,995,309	1,076,348	0
221	OAK BLUFFS	3,576,559	7,464,487	3,887,928	157,095	0
224	ORLEANS	1,794,048	4,540,345	2,746,297	0	0
227	PALMER	16,909,463	16,421,717	-487,746	339,201	339,201
229	PEABODY	61,407,362	64,258,337	2,850,975	4,443,967	1,592,993
234	PETERSHAM	802,582	1,088,878	286,296	15,964	0
242	PROVINCETOWN	1,689,381	4,477,284	2,787,903	486,394	0
244	RANDOLPH	31,980,944	44,609,730	12,628,786	0	0
248	REVERE	68,075,146	71,277,445	3,202,299	581,802	0
249	RICHMOND	1,960,231	3,248,829	1,288,598	0	0
250	ROCHESTER	4,421,293	5,722,904	1,301,611	98,601	0
253	ROWE	568,693	1,591,686	1,022,993	60,298	0
258	SALEM	49,075,890	58,976,739	9,900,849	1,931,725	0
264	SCITUATE	27,631,498	34,209,028	6,577,530	953,959	0
266	SHARON	29,804,845	41,679,938	11,875,093	1,376,657	0
269	SHERBORN	3,668,139	5,855,907	2,187,768	147,801	0
270	SHIRLEY	0	0	0	0	0
272	SHUTESBURY	1,224,484	2,094,478	869,994	12,263	0
275	SOUTHAMPTON	4,977,978	5,143,339	165,361	0	0
278	SOUTH HADLEY	19,356,733	23,055,541	3,698,808	722,116	0
284	STONEHAM	23,089,410	27,843,739	4,754,329	1,530,393	0
285	STOUGHTON	35,682,635	39,816,658	4,134,023	0	0
287	STURBRIDGE	6,992,372	8,902,164	1,909,792	18,046	0
288	SUDBURY	25,318,866	34,111,182	8,792,316	673,815	0
289	SUNDERLAND	1,933,378	2,336,051	402,673	88,518	0
291	SWAMPSCOTT	18,776,258	27,229,841	8,453,583	55,617	0
292	SWANSEA	17,456,409	20,489,295	3,032,886	0	0
293	TAUNTON	75,257,775	74,737,917	-519,858	545,009	519,858
296	TISBURY	3,421,397	7,244,961	3,823,564	307,312	0
301	TYNGSBOROUGH	16,612,883	18,479,483	1,866,600	280,644	0
306	WALES	1,324,351	1,793,646	469,295	6,077	0
309	WARE	13,329,638	12,957,881	-371,757	493,693	371,757
314	WATERTOWN	26,667,362	38,230,814	11,563,452	215,059	0
316	WEBSTER	19,295,882	20,019,606	723,724	16,420	0
317	WELLESLEY	44,700,708	59,303,291	14,602,583	3,953,399	0
322	WEST BOYLSTON	9,165,074	11,817,772	2,652,698	0	0
327	WESTHAMPTON	1,266,174	1,722,731	456,557	0	0
330	WESTON	21,814,190	39,871,516	18,057,326	1,406,079	0
332	WEST SPRINGFIELD	38,457,481	41,432,981	2,975,500	598,686	0
336	WEYMOUTH	64,565,175	64,699,465	134,290	4,613,392	4,479,102
337	WHATELY	808,118	1,926,181	1,118,063	10,908	0
340	WILLIAMSBURG *	1,591,027	2,278,047	687,020	0	0
343	WINCHENDON	15,801,887	15,615,819	-186,068	348,582	186,068
344	WINCHESTER	35,352,719	46,299,110	10,946,391	0	0
346	WINTHROP	17,937,169	18,790,176	853,007	522,203	0
350	WRENTHAM	9,419,712	10,634,267	1,214,555	6,000	0
406	NORTHAMPTON SMITH	2,544,374	1,913,342	-631,032	168,609	168,609
610	ASHBURNHAM WESTMINSTER	20,612,303	21,705,488	1,093,185	615,083	0
620	BERLIN BOYLSTON	4,292,354	6,074,529	1,782,175	81,570	0
655	DOVER SHERBORN	10,896,759	16,587,518	5,690,759	333,034	0
662	FARMINGTON RIVER	2,541,528	3,378,409	836,881	61,875	0
672	GATEWAY	11,530,844	12,655,426	1,124,582	463,428	0
698	MANCHESTER ESSEX	12,153,403	18,061,021	5,907,618	550,849	0
700	MARTHAS VINEYARD	9,674,060	14,859,190	5,185,130	340,574	0
710	MENDON UPTON	22,923,179	25,284,062	2,360,883	760,403	0
717	MOHAWK TRAIL	11,786,453	14,219,363	2,432,910	402,600	0
728	NEW SALEM WENDELL	1,270,710	1,731,423	460,713	62,267	0
745	PENTUCKET	27,270,595	29,829,046	2,558,451	1,132,071	0
770	TANTASQUA	16,929,398	18,010,931	1,081,533	661,822	0
774	UPISLAND	3,719,841	8,275,506	4,555,665	255,057	0
854	NORTH SHORE	6,952,527	8,408,209	1,455,682	293,171	0
860	PATHFINDER	8,330,450	10,077,633	1,747,183	247,606	0
913	ESSEX COUNTY	8,669,723	9,023,453	353,730	307,592	0
	Total, These Districts	3,449,027,239	3,957,804,809	508,777,570	134,160,632	19,912,177