



# DLS

DIVISION OF LOCAL SERVICES  
MA DEPARTMENT OF REVENUE

# *Cherry Sheet Manual*

*Supporting a Commonwealth of Communities*

mass.gov/DLS

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## I. Introduction

The Division of Local Services (DLS) has developed the Cherry Sheet Manual to guide public officials, as well as private citizens and organizations interested in municipal finance, through the Cherry Sheet. We hope this guide will assist you in understanding how the programs on the Cherry Sheet work.

### PURPOSE OF THE CHERRY SHEETS

Named for the cherry-colored paper on which it was originally printed, the Cherry Sheet is the official notification from the Commissioner of Revenue of the upcoming fiscal year's state aid and assessments to cities, towns, and regional school districts.

The purpose of the Cherry Sheet is to ensure that local budgets reflect realistic estimates of the amount of revenue a municipality and regional school district will actually receive from the state during the upcoming year, as well as the amounts that will be assessed upon local governments to pay for a variety of state or sub-state programs in which they participate. The Tax Rate Recapitulation Sheet, filed by local assessors with the Division of Local Services to certify property tax rates, must reflect the receipts and charges contained on the Cherry Sheet.

### HOW TO USE THE CHERRY SHEET MANUAL

This manual presents information on each of the programs that comprise the Municipal and Regional Cherry Sheets. The following features of the receipt and assessment programs that appear on the Cherry Sheet are described below. Agency refers to the state agency administering the program.

- Program Title
- Line Number on the Cherry Sheet
- Law(s) Creating/Modifying Program
- State Budget Account Number
- Agency
- Purpose
- Distribution/Reimbursement and Assessment/Charge Formula
- Administration
- Payment Schedule

This manual is organized into four sections. Section I provides an introduction to the manual. Municipal and Regional Cherry Sheet Receipt Programs are described in Section II. Section III provides a description of Municipal and Regional Cherry Sheet Assessments. Cherry Sheet resources available through the Division of Local Services are listed in Section IV.

Click on the following link for helpful spreadsheets detailing Cherry Sheet totals by program, net state aid (receipts minus assessments), and individual spreadsheets for all fiscal years since FY81:

[Cherry Sheet Data](#)

For the most recently released Cherry Sheet estimates click on the following link:

[Individual Cherry Sheets](#)

## II. Cherry Sheet Receipts

Chapter 58, Section 25A of the Massachusetts General Laws provides that the Commissioner of Revenue estimate the state's funding of local reimbursement and assistance programs as authorized by law and appropriated by the legislature. Local assessors are required to use these figures when determining the local property tax rate.

Cherry Sheet receipts appear on two forms: CS 1-ER, which notifies municipalities of estimated receipts and CS 2-ER, which notifies regional school districts of estimated receipts and charges.

Generally speaking, funds are allocated either through distribution formulas or reimbursement formulas. Distribution formulas often incorporate equity factors such as property wealth, income and effort. Reimbursement formulas provide full or partial funding for program expenditures or foregone revenues.

In addition to reimbursements and distributions, it should also be noted that certain programs on forms CS 1-ER and CS 2-ER are designated as "Offset Items." These items are amounts that constitute categorical aid, i.e., funds that must be spent for specific municipal and regional school district programs.

Funds received under programs designated as "Offset Items" may be spent without appropriation in the local budget. All other receipt items on the Cherry Sheet are considered revenues of the municipality or regional school district's general fund and may be spent for any purpose, subject to appropriation.

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*Chapter 70 A1*

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Law Creating/Modifying Program:	Ch. 70, Ch. 71, Acts of 1993
State Budget Account Number:	7061-0008
Agency:	Department of Elementary and Secondary Education

**PURPOSE:** The Education Reform Act of 1993, as amended by recent budget language, continues to have a substantial impact on municipal finance and, in particular, on the level of local aid received by municipalities and regional school districts, hereafter referred to collectively as districts. Education Reform was undertaken in an effort to ensure both adequate funding of the Commonwealth's public schools and to bring equity to local taxation effort based on a community's ability to pay.

Since its original enactment, the Chapter 70 formula has required a minimum local contribution from each city and town in the Commonwealth. The intent was that richer communities would be asked to contribute more from local revenues and would receive less state aid. Conversely, poorer communities would contribute less from local sources and receive a greater share of state aid. In the early years of the formula, an effort was made to measure community wealth and to adjust local contributions accordingly. But these factors did not work well in practice, and most of them were dropped over the years. There were many examples of towns of comparable wealth with widely differing contribution requirements. The state budget enacted for FY07 included some significant changes to the Chapter 70 formula in order to address these issues. State budgets since FY07 continue to incorporate those changes and progress has been made toward a more equitable funding pattern.

Certain terms referenced in the descriptions below are defined in the education reform glossary at the end of this section.

**DISTRIBUTION FORMULA:** The formula starts with the calculation of a foundation budget for each district that reflects district enrollment, pupil characteristics, inflation and geographical differences in wages. The foundation budget represents the minimum spending level necessary to provide an adequate education, with a policy goal that all districts will meet or exceed their foundation budget through the combination of state and local resources. The formula then looks at ability to pay to determine how much of this targeted spending amount should come from local sources and how much should be funded by the state.

A new measure of ability to pay, called the aggregate wealth model, was instituted in the FY07 budget and has been followed each year since then. This new method uses updated property values and personal income data to address issues of inter-municipal equity so that communities with similar ability to pay eventually receive similar levels of state aid and pay similar local contributions. The formula relies equally on two indicators of community

wealth, the DOR equalized property valuations and personal income data from state tax returns, to calculate a target local contribution amount or target local share for each community.

Recognizing that it will take at least five years to reach these new targets, they are phased in over a period of years. Communities that are spending less than their target amount must continue to increase their effort, while communities that are spending more are allowed to decrease their effort. Communities that are well below their target effort are asked to increase their contribution up to two percent more than their annual revenue growth (see municipal revenue growth factor (MRGF) definition). Required local contributions are calculated at the city and town level and then allocated to the school districts where the city or town is a member.

The next step is to determine how much new state aid districts will receive. In addition to setting new local contribution targets for each district, the FY07 changes also established new state aid targets or target aid shares. The state aid target is simply 100 percent minus each district's local contribution target, expressed as a percentage of the district's foundation budget. The minimum aid target is 17.5 percent.

Between FY07 and FY09 Chapter 70 aid was comprised of four aid categories: foundation aid, down payment aid, growth aid, and minimum aid. Foundation aid is the core calculation of the formula, and was the driving factor in the FY10 and FY11 aid calculations. To determine how much Chapter 70 a district receives, the prior year's required local contribution is increased by the MRGF to yield a preliminary local contribution. This figure is then compared to the target local contribution and, increased or decreased, depending on whether it exceeds the target local share or is below the target. If this new local contribution plus the prior year's Chapter 70 aid is not sufficient to meet the current foundation budget, then additional foundation aid is then awarded to reach the foundation budget.

**ADMINISTRATION:** The Department of Elementary and Secondary Education (ESE) administers the Chapter 70 formula. Before receiving any education aid, all districts are required to submit End-of-Year Pupil and Financial Reports to the Department. The data contained in these reports are used to demonstrate compliance with net school spending requirements. Net school spending is the sum of the required local contribution plus state aid. In many cases, this amount exceeds the foundation budget. A district's failure to spend at least 95 percent of its net school-spending requirement would result in a reduction of Chapter 70 Aid in the following fiscal year. This circumstance has not occurred since 2003.

**PAYMENT SCHEDULE:** Monthly except for Regional School Transportation, Smart Growth, Urban renewal Projects, Veterans Benefits, VBS and Public Libraries.

For more information please visit: <http://www.mass.gov/dor/docs/dls/publ/igr/2014/igr14-301.pdf>



## EDUCATION REFORM GLOSSARY

**Foundation Aid:** Foundation aid ensures that every district will have funding to at least reach its foundation budget.

**Foundation Budget:** A foundation budget is calculated for each school district, representing the minimum spending level needed to provide an adequate education. The foundation budget is adjusted each year to reflect changes in the district's enrollment; changes in student demographics (grade levels; low income status; English language proficiency); inflation; and geographical differences in wage levels. A description of how foundation budgets are calculated is available at <http://finance1.doe.mass.edu/chapter70/>.

**Municipal Revenue Growth Factor:** The Municipal Revenue Growth Factor (MRGF) is an estimate of the percentage change in revenue growth for each city and town. Calculated by the Department of Revenue's Division of Local Services (DLS), it represents the combined percentage increase in the following four revenue components:

- **2½ Percent Increase in the Levy Limit:** The first component of the formula is an automatic 2½% increase in the prior year's levy limit (net of overrides & debt exclusions).
- **Estimated New Property Growth:** Proposition 2½ allows communities to increase their limits above the standard 2½ percent, in order to reflect new building and renovation activity that has expanded the tax base. The most recent three years of new growth 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 an aberration. 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 levy limit in order to arrive at the estimated levy increase due to new growth.
- **Changes in General Revenue Sharing State Aid:** The combined change in Cherry Sheet estimated receipts for the Additional Assistance, State-Owned Land and Lottery accounts is required by statute to be incorporated into the factor.
- **Change in Unrestricted Local Receipts:** The combined change in recurring general-purpose local receipts 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; payments in lieu of taxes; fines and forfeits; investment income; and miscellaneous recurring receipts.

**Net School Spending:** Net School Spending is the combination of the required local contribution and Chapter 70 aid. Net school spending does not include school transportation or school construction costs. Net school spending can be met through a combination of direct appropriation to the school department budget and indirect costs appearing in other municipal

budgets. For example, health and property insurance costs may appear in the municipal treasurer's budget, yet they are reported to ESE on a separate municipal section of the End of Year Pupil and Financial Report, and included in the calculations to meet net school spending.

District compliance with net school spending requirements is published on ESE's web site at <http://finance1.doe.mass.edu/chapter70/compliance.html>

**Required Local Contribution:** The required local contribution for each municipality for the upcoming fiscal year is based on the prior year's contribution increased by the MRGF, and includes some transition factors so that the shift toward the target levels occurs over a period of several years.

**Target Aid Share:** A target aid share establishes a goal for how much Chapter 70 aid each district should receive as a percentage of its foundation budget.

**Target Local Contribution:** A target local contribution establishes a goal for how much each city and town should contribute toward its foundation budget, based on the municipality's wealth. Two measures of municipal wealth are used: aggregate property values and aggregate personal income levels, with each given equal weight. The target is recalculated each year based upon the most recent income and property valuations. The target calculation also includes a maximum local share of 82.5 percent, thus ensuring that all communities will get some minimum amount of state funding (17.5 percent).

The target calculations assume that local contributions in total should cover 59 percent of the statewide foundation budget (**target local share**), with state aid covering the remaining 41 percent (**target aid share**). The target local share and target aid share for any individual city or town will vary in proportion to the municipality's wealth.

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***Regional School Transportation (Municipal A2, Regional A2)***

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Law(s) Creating/Modifying Program:	Ch. 71, §16C
State Budget Account Number:	7035-0006
Agency:	Department of Elementary and Secondary Education

**PURPOSE:** To reimburse for the cost of regional school transportation.

**REIMBURSEMENT FORMULA:** The state reimburses a portion of the cost of regional school transportation. Costs eligible for reimbursement are limited to those incurred in transporting pupils who live at least 1½ miles from school.

**ADMINISTRATION:** Reimbursement during any fiscal year is for costs incurred in the prior school year. The Department of Elementary and Secondary Education calculates pupil transportation reimbursements based on figures provided by school districts in End-of-Year Pupil and Financial Reports. The Department of Elementary and Secondary Education certifies to the Comptroller the amounts to be reimbursed to each regional school district. Beginning in FY2000, the Department of Elementary and Secondary Education began reimbursing municipalities and regional school districts one-half of the estimated total reimbursement if they have submitted the End of the Year Pupil and Financial Report to the Department of Elementary and Secondary Education by September 30<sup>th</sup>. Final reimbursements made in June will reflect information reported on the current End of Year Pupil and Financial Report.

**PAYMENT SCHEDULE:** Semi-annually, after filing.

Please note that on the Municipal Cherry Sheets, the program name is School Transportation.

For more information please visit: <http://finance1.doe.mass.edu/transport/>

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***Charter Tuition Assessment Reimbursement  
(Municipal A3, Regional A2)***

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Law Creating/Modifying Program:	Ch. 71, §89, 2004, Ch. 46, Acts of 1997
Budget Account Number	7061-9010
Agency	Department of Elementary and Secondary Education

**PURPOSE:** Reimburse sending districts for the student tuition and the capital facilities tuition component they pay to Commonwealth charter schools. The capital facilities tuition component includes interest and principal payments, for the construction, renovation, purchase, acquisition, or improvement of school buildings and land.

**REIMBURSEMENT FORMULA (Charter Tuition):** Sending districts receive assistance through the charter tuition reimbursement formula in December, March and June for those students that elect to attend a charter school. Sending districts are reimbursed a portion of the costs associated with pupils attending charter schools **beginning in December**.

Cherry Sheet estimates are derived from projecting upcoming school year enrollment and tuition rates from data collected in March of the current fiscal year. Charter schools are required to finish their enrollment report by March 15<sup>th</sup> of the current fiscal year. By April 1<sup>st</sup>, ESE must report to each district the number of students who are anticipated to attend charter schools during the upcoming school year. When providing the Division of Local Services' with cherry sheet estimates, ESE uses the most current information available.

There are three levels to the reimbursement:

- 100 percent of the tuition increase in the first year
- 60 percent of the tuition increase in the second year
- 40 percent of the tuition increase in the third year

The above percentages will be replaced with a 100,25,25,25,25 five year schedule, that will be phased in beginning in FY12 with education reform legislation that passed in January 2010.

In addition, the reimbursement covers 100 percent of the first-year cost of pupils at charter schools who attended private or independent schools in the previous year. The reimbursement also covers 100 percent of the cost of any sibling students whose tuition brings a district above its statutory assessment cap of 9 percent of net school spending. The reimbursement is subject to appropriation in the final budget for the Commonwealth.

Second quarter reimbursements to sending districts are based on increases in tuition costs for the current school year. Spending and enrollment data are subject to change after the initial figures become available in December. The remaining two Monthly payments are based on updated tuition costs using any revisions to tuition rates and enrollments as data are finalized during the year. Payments are intended to equal approximately one third of the projected annual amount, however; payments in the final two quarters include adjustments to correct any over or under payments in prior quarters.

**REIMBURSEMENT FORMULA (Capital Facility):** Sending districts receive assistance through the capital facility reimbursement in December, March and June for costs associated with capital facilities.

When ESE calculates a charter school's average cost per pupil, a capital facilities component is added because foundation budgets and net school spending do not contain this part of a school district's budget. A fixed dollar amount per pupil, adjusted for inflation, is set by each year's state budget language. In FY11 the per pupil amount is \$893.

**ADMINISTRATION:** The Department of Elementary and Secondary Education determines the reimbursement based on enrollment certified through the Student Information Management System (SIMS) and March 15<sup>th</sup> updates. The ESE certifies reimbursements to the Division of Local Services.

**PAYMENT SCHEDULE:** December, March and June.

For more information please visit: <http://finance1.doe.mass.edu/charter/>

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***School Lunch (Municipal A5, Regional A4)***

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Law Creating/Modifying Program:	Ch. 871, Acts of 1970
State Budget Account Number:	7053-1909
Agency:	Department of Elementary and Secondary Education

**PURPOSE:** To reimburse part of the cost incurred in serving lunches to school children.

**REIMBURSEMENT FORMULA:** The cost of meals served is partially reimbursed to the extent funds are appropriated. Reimbursement is intended to supplement federal and local support.

**ADMINISTRATION:** The Massachusetts Department of Elementary and Secondary Education’s Nutrition Programs and Services administer the School Lunch program. To participate, municipalities and regional school districts enter into an agreement with the Department of Elementary and Secondary Education to conduct the program under the guidelines established in the National School Lunch Act.

All participating municipalities and regional school districts are required to submit reimbursement claims (Form FP-6) monthly to the Department of Elementary and Secondary Education. The Department then approves the reimbursement amounts and submits payment vouchers to the Comptroller. These payments partially reimburse municipalities and regional school districts for lunches served to children under the National School Lunch Program.

**PAYMENT SCHEDULE:** Monthly.

For more information please visit: <http://finance1.doe.mass.edu/nutrition/>

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***School Choice Receiving Tuition (Municipal A6, Regional A5)***

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Law Creating/Modifying Program:	Ch. 76, §12B, 1993, Ch. 71
Agency:	Department of Elementary and Secondary Education

**PURPOSE:** To provide funding to receiving districts for accepting pupils from other districts.

**REIMBURSEMENT FORMULA:** Each district’s Student Information Management System (SIMS) submission in October is used to determine the current school year’s December and March estimates. Tuition rates are based upon 75 percent of the prior year’s per pupil expenditure in the program each pupil is enrolled in. Rates are capped at \$5,000 per pupil, except for special education students, whose full cost is paid by the sending district. Each special education pupil’s special education cost is based upon the number of hours provided for particular services specified by his or her individualized education plan.

School districts report changes in school choice enrollment and special education services as of April 1<sup>st</sup>, resulting in final tuition calculations in June. Cherry sheet estimates for the upcoming fiscal year are based on these final tuition calculations.

School choice tuition is assessed against sending districts and paid to receiving districts in December, March and June. Payments are handled automatically through adjustments to the Monthly local aid distributions.

In December, and again at the end of June, ESE sends superintendent’s reports showing the name, grade, program and estimated annual tuition for each pupil based on the prior fiscal year’s final enrollment figures and tuition rates. Any errors should be reported to ESE’s School Finance office. Adjustments will be made to the current year payments to account for reported errors or updates in calculations.

**ADMINISTRATION:** The Department of Elementary and Secondary Education calculates the receiving districts’ reimbursements based on enrollment reports and tuition rates. The Department of Elementary and Secondary Education certifies reimbursements to the Division of Local Services.

**PAYMENT SCHEDULE:** December, March and June.

For more information please visit: <http://finance1.doe.mass.edu/schoice/>

***Unrestricted General Government Aid B1***

Law Creating/Modifying Program:	Subject to annual budgetary language
State Budget Account Number:	1233-2350, Section 3 GAA
Agency:	Division of Local Services, Department of Revenue

**PURPOSE:** To provide general-purpose financial assistance to municipalities.

**DISTRIBUTION FORMULA:** The FY09 original (pre 9C cut) Additional Assistance and Lottery aid were combined and reduced by 29 percent. In an effort to limit the overall reduction for any community, the legislature added a mitigation aid component. If the community's FY10 combined Chapter 70, UGGA, estimated revenues from local option room occupancy and meals excise, and SFSF replacement funds resulted in a reduction greater than 15% when compared to the FY09 combined Chapter 70, Additional Assistance and total Lottery Aid, mitigation aid was added to UGGA. In FY2011, the final budget reduced UGGA by 4% from the FY2010 estimates.

**ADMINISTRATION:** The Lottery distribution is funded through a transfer of funds and not by appropriation, although the total amount of the annual distribution is stipulated in Section 3 of the annual state budget.

The Division of Local Services certifies to the Comptroller the amounts to be distributed to municipalities.

The Lottery formula is equalizing, with municipalities with lower property values receiving proportionately more aid than those with greater property values. The formula is based on population and Equalized Property Valuation.

The formula is as follows:

$$\text{Municipality's Aid} = \left[ \frac{E_s}{E_m} \right] * \$10 * P_m * K$$

- E<sub>s</sub> = Equalized Valuation per capita of the state
- E<sub>m</sub> = Equalized Valuation per capita of the municipality
- P<sub>m</sub> = Population of the municipality
- K = Pro-ration factor



The pro-ration factor adjusts the formula according to the net Lottery receipts available. The formula is normally applied only to the new Lottery Aid that is the amount above or below what was estimated the previous year.

Surplus lottery amounts are estimated in supplemental appropriations. Section 3 of the annual state budget stipulates that any lottery shortfall from or excess of the amount appropriated will be deducted from or added to the second quarter of the next fiscal year's distribution.

Surplus lottery amounts are not included on the cherry sheet in the fiscal year as they appear below because they are part of a supplemental budget approved after the adoption of the annual state budget. With the exception of FY01, surplus lottery distributions have been paid in the following fiscal years.

**FY94 – FY01 Supplemental Lottery Distributions**

FY94	\$15,000,000
FY95	0
FY96	\$21,000,000
FY97	\$45,273,944
FY98	\$62,869,462
FY99	\$85,535,000
FY00	\$88,655,318
FY01	\$51,562,493

- The FY00 lottery surplus amount includes \$955,318 distributed in March 2001.
- The FY01 lottery surplus amount was overestimated by \$11.9 million.
- No surplus distributions in FY02 – Present

No local action is needed to receive Lottery funds.

The \$75 million appropriated in FY05 as “One-Time Municipal Relief Aid” should not be considered as surplus Lottery revenues. This appropriation was not intended to become part of the base for future Lottery distributions.

**PAYMENT SCHEDULE:** Monthly.

For more information please visit: <http://www.masslottery.com/wherethemoneygoes.html>

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## *Regional Public Libraries B3*

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Law(s) Creating/Modifying Program:	Ch. 78, §19C; Ch. 43, §75-78, Acts of 1997; Ch. 131, OS56, Acts of 2010
State Budget Account Number:	7000-9401
Agency:	Board of Library Commissioners

**PURPOSE:** To support a statewide program of supplemental services for libraries of all types (public, school, colleges/universities, special libraries in non-profit organizations and corporations) in order to provide users with materials and information otherwise unavailable locally. Services include interlibrary loan, delivery of materials, continuing education, technical assistance, database access, and bookmobile service.

**DISTRIBUTION FORMULA:** MGL 78:19C(3) stipulates that any regional system is entitled to receive an amount per capita based on population per square mile of the area served as shown in the following table:

Over 1,000 Per Square Mile:	\$1.70
750-999 per square mile:	\$1.86
500-749 per square mile:	\$2.20
Under 500 per square mile:	\$2.41

Beginning July 1, 2010 there is a single regional system serving the entire state. It falls within the 750-999 per square mile formula and is eligible for \$1.86 per capita.

MGL 78:19C(4) stipulates that the Boston Public Library, as the "library of last recourse," will receive an amount equal to \$0.50 per resident in the commonwealth.

If appropriated funds are insufficient to fully fund the formula grants, the initial grants are prorated. The amount of funding for any library that contracts to provide regional service is determined by the annual budget and plan of service recommended by the region's advisory council and approved by the Board of Library Commissioners.

**ADMINISTRATION:** The Board of Library Commissioners (BLC) contracts with an administrative entity and with libraries it has identified as appropriate providers of regional service. Services are specified in contracts, annual budgets, and plans of service. The BLC certifies to the Comptroller the amount of aid to be provided to each municipality.

**PAYMENT SCHEDULE:** Each contract determines whether libraries are reimbursed upon receipt of expenditure reports on a monthly basis or paid through advance payments on a Monthly basis.

For more information please visit: <http://mbic.state.ma.us/mbic/regional/regional.php>

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***Urban Renewal Projects B5***

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Law Creating/Modifying Program:	Ch. 121B, §53-57
Agency:	Department of Housing and Community Development

**ADMINISTRATION:** The Department of Housing and Community Development (formerly EOCD) administers the Urban Revitalization Development Program. Prior to FY02 there were three programs administered by the Department of Housing and Community Development.

Municipalities receive reimbursement for Urban Revitalization projects approved by the Department of Housing and Community Development (DHCD). DHCD sends payment vouchers to local treasurers who complete and return them for processing.

**URBAN REVITALIZATION DEVELOPMENT GRANTS**

State Budget Account Number:	7004-9108
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**PURPOSE:** To provide funds to municipalities to meet planning and implementation costs related to urban revitalization and development projects. The program assists municipalities in the redevelopment of downtowns, neighborhoods, industrial parks, and commercial areas.

Prior to FY03, this program was funded through the annual state budget. This program was reduced by the governor and funding was restored by a Division of Capital Asset Management (DCAM) bond bill.

**REIMBURSEMENT FORMULA:** When executing a project, the municipality must appropriate 100 percent of the necessary funds. The Department of Housing and Community Development will reimburse the municipality over a 20-year period for 50 percent of the net project cost.

**PAYMENT SCHEDULE:** One half of the payment in February and one half of the payment in July.

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***Veterans' Benefits B6***

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Law Creating/Modifying Program:	Ch. 115, §6
State Budget Account Number:	1410-0400
Agency:	Department of Veterans' Services

**PURPOSE:** To reimburse municipalities for a portion of authorized amounts spent for veterans' financial, medical, and burial benefits.

**REIMBURSEMENT FORMULA:** The program reimburses 75 percent of a municipality's costs for veterans' and their dependents' benefits. In an effort to make this program's estimates closer to the actual costs, the Department of Veterans' Services devised a new method of calculating the estimated reimbursements. Reimbursements are now paid in the year after the costs are incurred. For example, the upcoming fiscal year Cherry Sheet estimates are based on 6 months of actual authorized expenditures (July 1 through December 31 of the current fiscal year) plus a prorated amount for the remaining 6 months of the current fiscal year.

**ADMINISTRATION:** The veterans' agent and the treasurer of each municipality shall certify the names and other information that the Secretary of Veterans' Services may require within 30 days after the end of the month in which the expenditures were made. The Secretary then approves and certifies to the Comptroller the amounts to be reimbursed.

**PAYMENT SCHEDULE:** Monthly.

***Exemptions: Veterans, Blind Persons, Surviving Spouses, Elderly & Motor Vehicle B7***

Law(s) Creating/Modifying Program:	Ch. 58, §8A, Ch. 59, §5, Clause 17, 17C, 17C½, 17D, 22A, 22B, 22C, 22D, 22E, 22(a-f), 37 & 37A, Ch. 88, Acts of 1997, Ch. 260 and Ch. 310, Acts of 2006
State Budget Account Number:	1233-2000
Agency:	Division of Local Services, Department of Revenue

**PURPOSE:** To reimburse municipalities for property tax exemptions granted to qualifying veterans, blind persons, surviving spouses and elderly persons.

**REIMBURSEMENT FORMULA:** The reimbursement for each type of exemption is specified by statute. Each municipality is reimbursed for each exemption documented in a given fiscal year. The amounts of exemption granted to individuals and the amounts reimbursed to municipalities by statute are as follows:

- Surviving spouses, minor children, elderly persons:  
 Clause 17 - \$175, full reimbursement  
 Clauses 17C, 17C½, 17D - \$175, reimbursement cannot exceed the amount reimbursed under Clause 17
- Veterans  
 Clause 22(a-f) - \$400 exempted, \$225 reimbursed
- Paraplegic veterans, surviving spouses:  
 Full amount, 100 percent minus \$400 reimbursed (§8A)
- Veterans, loss of one arm, foot, or eye:  
 Clause 22A - \$750 exempted, \$575 reimbursed
- Veterans, loss of two arms, two feet, one arm and one leg, or loss of sight:  
 Clause 22B - \$1,250 exempted, \$1,075 reimbursed
- Veterans, special adapted housing:  
 Clause 22C - \$1,500 exempted, \$1,325 reimbursed
- Veterans, surviving spouses of soldiers, sailors & National Guard:  
 Clause 22D – 100 percent first 5 years, up to \$2,500 each year thereafter
- Veterans and Surviving Spouses, 100 percent disability:  
 Clause 22E - \$1,000 exempted, \$825 reimbursed
- Blind persons:  
 Clause 37 - \$437.50 exempted, \$87.50 reimbursed  
 Clause 37A - \$500 exempted, \$87.50 reimbursed

**ADMINISTRATION:** Communities are required to complete the property tax reimbursement forms in [DLS GATEWAY](#). Once you have logged in, please click on the *Misc Forms* tab at the top. Fill out the forms which are located on the left hand side under the heading Property Tax Exemptions. The Division of Local Services will approve them once they are completed.

Claims for reimbursement are processed by the Division of Local Services on a rolling basis. Delays in setting a tax rate due to revaluation problems can result in reimbursement claims being submitted late in the current fiscal year or early in the upcoming fiscal year. Since appropriations to reimburse property tax exemptions revert to the state's general fund at the end of August each year, the Division of Local Services cannot process any requests after August 20th. The Division of Local Services certifies to the Comptroller the amounts to be reimbursed.

**PAYMENT SCHEDULE:** Annually, after filing.

***Exemptions: Elderly***

Law Creating/Modifying Program:	Ch. 59, §5, Clause 41, 41B, 41C & 41C ½
State Budget Account Number:	1233-2000
Agency:	Division of Local Services, Dept. of Revenue

**PURPOSE:** To reimburse municipalities for property tax exemptions granted to qualifying people at least 70 years of age who meet certain "whole estate or total assets," annual income, and residency requirements.

**REIMBURSEMENT FORMULA:** The number of exemptions granted is multiplied by the statutory reimbursement of \$500, subject to appropriation. However, if a municipality has adopted Clause 41B or 41C, the number of exemptions for which it is reimbursed cannot exceed the number reimbursed in the most recent year under Clause 41. In addition, municipalities that have adopted Clause 41B or 41C will be reimbursed for additional costs incurred in determining eligibility of applicants under these clauses in an amount not to exceed two dollars per exemption granted.

Beginning in FY2003, communities that have accepted G.L. Chapter 59, §5 (Clause 41C), have the option of adopting a new local option. Communities that adopt local option Chapter 184, §51 of the Acts of 2002 (Clause 41C Exemption Options), can adjust the age, income and asset requirements seniors must meet to qualify for an exemption and the amount of the exemption the community may grant to eligible seniors. The allowable adjustments that can be made (any or all) are as follows:

- Eligibility age may be reduced from 70 to 65
- Amount of exemption granted may be increased by any percentage up to 100%

- Gross receipts limit may be increased to any amount up to \$20,000 if single and \$30,000 if married
- Whole estate limit may be increased to any amount up to \$40,000 if single and \$55,000 if married

The state’s reimbursement remains at \$500 per individual, subject to appropriation.

**ADMINISTRATION:** Local Assessors submit Form MDM-1 on DLSGateway to the Division of Local Services. This form lists the number of exemptions granted in the prior fiscal year. The DLS certifies to the Comptroller the amounts to be reimbursed to municipalities.

**PAYMENT SCHEDULE:** Annually, December.

***Exemptions: Motor Vehicle Excise***

Law Creating/Modifying Program:	<a href="#">Ch. 60A, §1</a> , as defined in <a href="#">Ch. 4, §7</a>
State Budget Account Number:	1233-2000
Agency:	Division of Local Services, Dept. of Revenue

**PURPOSE:** To reimburse municipalities for motor vehicle excise tax exemptions granted to qualifying veterans with certain service-connected disabilities.

**REIMBURSEMENT FORMULA:** The sum of the qualifying motor vehicle excise abatements granted is reimbursed to each municipality, subject to appropriation.

The exemption is limited to one motor vehicle owned and registered by the veteran for personal, non-commercial purposes.

**ADMINISTRATION:** Local Assessors submit the Motor Vehicle Excise exemption form to the Division of Local Services. The DLS certifies to the Comptroller the amounts to be reimbursed to municipalities.

**PAYMENT SCHEDULE:** Annually, after filing.

For more information please visit: [Guide to Real Estate Tax Exemptions for Seniors Property Tax Exemption Data and Reimbursements Motor Vehicle Excise Reimbursement Form](#)

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***State-Owned Land B8***

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Law Creating/Modifying Program:	Ch. 58, §13-17
State Budget Account Number:	1233-2400
Agency:	Division of Local Services, Department of Revenue

**PURPOSE:** To reimburse communities for forgone tax revenues due to certain types of tax-exempt state-owned land.

**REIMBURSEMENT FORMULA:** Eligibility for reimbursement depends on land use and the state agency with jurisdiction over the property as specified in the legislation.

Payment is for land only, not for buildings or any other improvements erected on or affixed to the land. Parcels of land that were exempt from property taxation before acquisition by the state are ineligible for reimbursement through this program.

The formula is based on property value and the latest three-year statewide average tax rate. The formula is as follows:

$$\text{Municipality's Aid} = \left[ \text{PV} * \text{ET} * \text{K} \right]$$

PV = Estimated property value of eligible State-Owned Land

ET = 3 year statewide average tax rate

K = Pro-ration factor

To view the current and historical three year statewide average tax rate used in the calculation of the State Owned Land reimbursement, click on the link below:

[State Owned Land Three Year Statewide Average Tax Rate](#)

**ADMINISTRATION:** The FY2011 State-Owned Land estimates reflect the re-appraisal of all eligible property. The Bureau of Local Assessment is required to conduct such a re-appraisal every four years. In interim years, State-Owned Land valuation for a community is adjusted to reflect transactions such as land acquisitions and properties returned to the community's tax rolls.

**PAYMENT SCHEDULE:** Annually, November.



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***Public Libraries B9***

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Law Creating/Modifying Program:	Ch. 78, §19A-19B
State Budget Account Number:	7000-9501
Agency:	Board of Library Commissioners

**PURPOSE:** Public Libraries include three grant awards: the Library Incentive Grant (LIG), the Municipal Equalization Grant (MEG) and the Nonresident Circulation Offset (NRC).

The purpose of the LIG is (1) to encourage municipalities to maintain minimum levels of library services and resources and (2) to provide an incentive to develop improved services.

The purpose of the MEG is to provide improved library service, resources, and/or facilities in municipalities with relatively less revenue raising capacity by compensating libraries for disparities in municipal funding sources.

The purpose of the NRC is to help offset the costs a public library incurs when it circulates materials to residents of other communities. Originally approved in a 1993 Supplemental Appropriation, the NRC was incorporated into Cherry Sheet estimates in FY1995.

**DISTRIBUTION FORMULA:** This program employs three funding formulas to determine the amounts for each municipality. Municipalities complete one application for all three public library awards.

1. The Nonresident Circulation Offset (NRC) is distributed annually by the Board of Library Commissioners based upon each community's share of the total statewide-circulated items.
2. The Library Incentive Grant (LIG) distribution is based on the following, while the actual amount is prorated according to the final appropriation:
  - a) Population under 2,500: an amount equal to the amount appropriated for free public library service in the preceding year; distribution not to exceed \$1,250
  - b) Population of 2,500 or over: up to \$.50 per capita, provided that at least \$1,250 was appropriated for public library service in the preceding year.
3. The Municipal Equalization Grant (MEG) distributes the balance in the LIG/MEG/NRC account according to the lottery formula (See Municipal Cherry Sheet Receipt Item Number B-1), so that municipalities with lower property values receive proportionately more aid than those with greater property values.

**ADMINISTRATION:** To qualify for funding, certain requirements must be met and the municipal Library Director must submit an application to the Board of Library Commissioners each year. Requirements include:

- The city or town's appropriation to operate the public libraries must be equal to or greater than 102.5 percent of the average of the 3 preceding years' appropriations for free public library service. Each year the Board of Library Commissioners may grant ten waivers of this requirement (Ch. 78 §19A).
- The library must have complied with the minimum standards for free public library service in the preceding year (Ch. 78 §19B).
  - a. Open to all residents of the commonwealth [605 CMR 4.01(1)].
  - b. Make no charge for normal library services [605 CMR 4.01(2)].
  - c. Be kept open a minimum number of hours per week based on the municipality's population [605 CMR 4.01(3)].
  - d. Employ trained library personnel based on the municipality's population [605 CMR 4.01(4)].
  - e. Expend a reasonable portion of the library's total budget on library materials based on the municipality's population [605 CMR 4.01(5)].
  - f. Lend books to other [certified] libraries in the commonwealth and extend privileges to holders of cards issued by other [certified] public libraries in the commonwealth on a reciprocal basis [605 CMR 4.01(6)].
- The library must submit an annual report of data (ARIS) as specified by the Board of Library Commissioners (Ch. 78 §19B).

The Board of Library Commissioners verifies compliance with all requirements before voting to certify applicants for grant payments.

The Board of Library Commissioners certifies to the Comptroller the amount of the award to be made to each municipality.

**PAYMENT SCHEDULE:** Once the Board of Library Commissioners certifies a community, the first payment is made in the second through the fourth quarter. This payment includes 50 percent of a municipality's LIG, MEG and NRC allocations. In the last quarter of the fiscal year, the other 50 percent of the LIG, MEG and NRC allocations are paid. In addition, this second payment includes remaining state funds (those funds originally allocated for communities that were not certified by the board) are distributed to certified communities according to the MEG and NRC formulas.

Payments must be held in a separate municipal account and shall be expended by the public library without appropriation.

For more information please visit: [http://mblc.state.ma.us/grants/state\\_aid/index.php](http://mblc.state.ma.us/grants/state_aid/index.php)

### **III. Cherry Sheet Assessments**

Chapter 59, Section 21 of the Massachusetts General Laws requires the Commissioner of Revenue to provide municipalities and regional school districts with advance estimates of state assessments and charges and county tax assessments. Local assessors are required to use these figures in determining the local property tax rate.

The Cherry Sheet, form CS 1-EC, notifies municipalities of estimated assessments and charges. Regional school districts that participate in the assessment programs are notified on form CS 2-ER.

Actual assessments will differ from Cherry Sheet estimates for several programs, as final data becomes available to administering agencies subsequent to the issuance of Cherry Sheets.

Under Proposition 2½, the following agencies' or counties' total assessments cannot increase by more than 2½ percent of the prior year's actual assessment. They are as follows: County Tax (A), Mosquito Control Projects (B-3), Air Pollution Districts (B-4), Metropolitan Area Planning Council (B-5), Old Colony Planning Council (B-6), MBTA (C-1), Boston Metropolitan Transit District (C-2), and Regional Transit Authorities (C-3). However, the administering agencies or authorities can increase their total assessments by more than 2½ percent if they can demonstrate to the Division of Local Services that the increase is due to the provision of new services.

#### **PAYMENT OF CHERRY SHEET ASSESSMENTS**

County Assessments (A) are paid directly by the municipality to the county government.

At the beginning of each fiscal year, the State Treasurer requests actual figures or updated estimates from agencies for State Assessments and Charges (B-1 through B-7) and Transportation Authorities (C-1 through C-3). These estimates may differ from Cherry Sheet figures if updated information has become available since the issuance of the Cherry Sheet. When final assessments are determined, adjustments are made to assessments in the last three Monthly local aid distributions. For State Assessments and Charges and Transportation Authorities, agencies certify assessments directly to the State Treasurer to be deducted from distributions.

For Annual Charges Against Receipts (D-1 through D-2), agencies certify charges to the Division of Local Services, which notifies the State Treasurer when it certifies the amounts of the local aid distribution.

For Tuition Assessments (E-1 through E-3), the Department of Elementary and Secondary Education forwards charges to the Division of Local Services, which notifies the State

Treasurer when it certifies the amounts of the local aid distribution. Tuition Assessments E-1 and E-2 are assessed tri-annually (December, March & June) while E-3 is assessed Monthly.

Agencies and authorities certify actual assessments to the State Treasurer. The Division of Local Services deducts a quarter of each assessment from the local aid distributions. One quarter of each of the following assessments will be deducted from each municipality's Monthly local aid distribution:

State Assessments and Charges	(B-1 through B-7)
Transportation Authorities	(C-1 through C-3)
Tuition Assessments	(E-3)

One third of the following Tuition Assessments will be deducted from each municipality's December, March and June Monthly local aid distribution:

Tuition Assessments	(E-1 & E-2)
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In addition, one entire item from Annual Charges Against Receipts will be deducted from each municipality's Monthly distribution as follows:

1st quarter:	STRAP Repayments (D-2)
4th quarter:	Special Education (D-1)

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***County Tax A1***

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Law Creating/Modifying Program:	General Laws Ch. 34B, Ch. 35 §§30 & 31
Agency:	Division of Local Services, Department of Revenue

**PURPOSE:** To assess municipalities for the cost of county government and county services or to reimburse the state for the assumption of the costs of abolished counties.

**REMAINING COUNTY GOVERNMENTS**

**ASSESSMENT FORMULA:** Each county's total tax assessment is allowed to increase by 2½ percent over the prior year's actual total tax assessment.

County assessments in Barnstable, Bristol, Dukes, Norfolk, and Plymouth counties are apportioned among member communities in proportion to each municipality's Equalized Valuation as a share of the total county Equalized Valuation.

For Barnstable County only, a charge for the Cape Cod Commission is added to the total assessment.

**ABOLISHED COUNTY GOVERNMENTS**

In the abolished county governments of Berkshire, Essex, Franklin, Hampden, Hampshire, Middlesex, and Worcester there will be no county tax assessment.

**ADMINISTRATION:** Cities and towns are assessed directly by the County Commissioners, who are responsible for determining the assessments.

**ASSESSMENT SCHEDULE:** Semiannual, November and May.

***Suffolk County Retirement A2***

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Law Creating/Modifying Program:	General Laws Ch. 61 of the Acts of 2009, as amended by Ch. 102 of the Acts of 2009.
Agency:	Division of Local Services, Department of Revenue

**PURPOSE:** To reimburse the unfunded county pension liabilities of the retired sheriff's office employees that remains in the county retirement system.

**ASSESSMENT FORMULA:** The City of Boston's assessment in the current fiscal year is based on two prior fiscal years corrections maintenance of effort (MOE) for Suffolk County. Future City of Boston assessments will be determined by the amortization schedule established by the secretary of Administration and Finance. The State Treasurer shall assess the City of Boston and remit payment to the State-Boston retirement system.

**ADMINISTRATION:** The State Treasurer shall assess the City of Boston and remit payment to the State-Boston retirement system.

**ASSESSMENT SCHEDULE:** Monthly.

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***Retired Employees' Health Insurance B1***

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Law(s) Creating/Modifying Program:	Ch. 32A, §10B (c)
Agency:	Group Insurance Commission

**PURPOSE:** To reimburse the state for the costs of providing a health insurance plan for governmental retirees who were pensioned prior to the implementation of Chapter 32B by their local governmental unit. Chapter 32B enabled municipalities to establish a mechanism for group insurance for retirees.

**ASSESSMENT FORMULA:** Each participating municipality is assessed for the governmental share of health insurance premiums paid on behalf of its retirees by the state. The state pays 90 percent of the total premium; the retiree's co-payment is 10 percent of the total premium as well as full payment for catastrophic illness coverage. A proportionate share of administrative expenses is also assessed to each municipality.

**ADMINISTRATION:** The Group Insurance Commission pays health and life insurance premiums on behalf of local government retirees. Local governments are assessed for the payments made on behalf of their retirees. A retiree's co-payment is subtracted from his or her pension payment.

**ASSESSMENT SCHEDULE:** Monthly.

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***Retired Teachers' Health Insurance B2***

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Law(s) Creating/Modifying Program:	Ch. 32A, §12
Agency:	Group Insurance Commission

**PURPOSE:** To reimburse the state for the costs of providing a life and health insurance plan for retired municipal teachers.

**ASSESSMENT FORMULA:** Each participating municipality is assessed for the governmental share of health and life insurance premiums paid on behalf of its teacher retirees by the state. The state pays 90 percent of the total premium; the retiree's co-payment is 10 percent of the total premium as well as full payment for catastrophic illness coverage. A proportionate share of administrative expenses is also assessed to each municipality.

**ADMINISTRATION:** The Group Insurance Commission pays health and life insurance premiums on behalf of local teacher retirees. Local governments are assessed for the payments made on behalf of their teacher retirees. A retiree's co-payment is subtracted from his or her pension payment.

**ASSESSMENT SCHEDULE:** Monthly.



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***Mosquito Control Projects B3***

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Law(s) Creating/Modifying Program:	Ch. 252, §5A, Ch. 2, §41, Acts of 1986
Agency:	State Reclamation Board

**PURPOSE:** To assess municipalities for the costs of mosquito control services.

**ASSESSMENT FORMULA:** There are eight mosquito control districts whose costs are apportioned to member municipalities on the Cherry Sheet. Each district is also allocated a proportional share of expenses for the State Reclamation Board that administers these programs. Each district relies on a separate formula to apportion its assessment to its member municipalities. All formulas are based on Equalized Valuation; five of the districts' formulas also use land area as a component.

**ADMINISTRATION:** The State Reclamation Board determines total project assessments and the share of assessments to be paid by member municipalities. Assessments also include each member municipality's share of the Reclamation Board's administrative costs for the program.

**ASSESSMENT SCHEDULE:** Monthly.

***Air Pollution Districts B4***

Law(s) Creating/Modifying Program:	Ch. 111, §§142B & 142C, Ch. 676, §1, Acts of 1960
Agency:	Department of Environmental Protection

**PURPOSE:** To assess municipalities for a portion of the costs incurred by the Department of Environmental Protection in monitoring air pollution levels and enforcing air quality standards at industrial, commercial, and institutional facilities.

**ASSESSMENT FORMULA:** Each municipality's assessment is determined through the following formula, which is based on relative population and Equalized Valuation:

$$\text{Municipality's Assessment} = \left[ \left[ \frac{P_m}{P_s} * .50 \right] + \left[ \frac{E_m}{E_s} * .50 \right] \right] * A_s$$

- P<sub>m</sub> = Population of the municipality
- P<sub>s</sub> = Population of the state
- E<sub>m</sub> = Equalized Valuation of the municipality
- E<sub>s</sub> = Equalized Valuation of the state
- A<sub>s</sub> = Total state assessment

**ADMINISTRATION:** The total assessment cannot increase by more than 2½ percent of the prior year's actual assessment. The Department of Environmental Protection determines the total amount of the assessment and calculates each municipality's assessment by using the formula indicated.

**ASSESSMENT SCHEDULE:** Monthly.

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***Metropolitan Area Planning Council B5***

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Law(s) Creating/Modifying Program:	Ch. 40B, §§26 & 29, Ch. 476, Acts of 1974
Agency:	Metropolitan Area Planning Council

**PURPOSE:** To assess municipalities in order to finance a Metropolitan Boston area planning district to promote urban planning and respond to the common urban problems of Boston and outlying municipalities.

**ASSESSMENT FORMULA:** Each municipality's assessment is determined through the following formula, which is based on population (net of all inmates of correctional institutions).

$$\text{Municipality's Assessment} = \left[ \frac{P_m}{P_d} \right] * A_d$$

$P_m$  = Population of the municipality

$P_d$  = Population of the district

$A_d$  = Total Metropolitan Area Planning Council assessment

**ADMINISTRATION:** The total assessment cannot increase by more than 2½ percent of the prior year's actual assessment. The Metropolitan Area Planning Council calculates each municipality's assessment by using the formula indicated.

**ASSESSMENT SCHEDULE:** Monthly.

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***Old Colony Planning Council B6***

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Law(s) Creating/Modifying Program:	Ch. 332, Acts of 1967
Agency:	Old Colony Planning Council

**PURPOSE:** To assess municipalities in order to finance a regional planning body for the Brockton Metropolitan area to promote social and economic improvement.

**ASSESSMENT FORMULA:** Each municipality's assessment is determined through the following formula, which is based on population:

$$\text{Municipality's Assessment} = \left[ \frac{P_m}{P_d} \right] * A_d$$

$P_d$  = Population of the district

$P_m$  = Population of the municipality

$A_d$  = Total Old Colony Planning Council assessment

**ADMINISTRATION:** The total assessment cannot increase by more than 2½ percent of the prior year's actual assessment. The Old Colony Planning Council calculates each municipality's assessment by using the formula described above.

**ASSESSMENT SCHEDULE:** Monthly.

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***RMV Non-Renewal Surcharge B7***

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Law(s) Creating/Modifying Program:	Ch. 90, §§20, 20½, 22B, Ch. 60A, §2A, Ch. 233, S.92, Acts of 1983 Ch. 653, Acts of 1989, Ch. 133, Acts of 1992
Agency:	Registry of Motor Vehicles

**PURPOSE:** To reimburse the Registry of Motor Vehicles for "marking" a license or registration for non-renewal due to:

1. non-payment of parking violations
2. non-payment of motor vehicle excise
3. non-payment of abandoned vehicle costs

**CHARGE FORMULA:** The Registry of Motor Vehicles charges each participating municipality \$20 for each "mark" of a license for non-renewal. The upcoming fiscal years actual assessments are based upon non-renewal obligations cleared in the prior fiscal year. The obligations cleared in the current fiscal year may be for "markings" from several fiscal years.

**ADMINISTRATION:** The municipality collects a \$20 surcharge per violation for non-payment of excise from individual violators. This surcharge enables the municipality to offset the \$20 charge per "marking" assessed by the Registry of Motor Vehicles. The RMV Non-Renewal Surcharge estimated assessments will be based on the most current information we have when Cherry Sheets are prepared.

**ASSESSMENT SCHEDULE:** Monthly.

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***Massachusetts Bay Transportation Authority (MBTA) C1***

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Law(s) Creating/Modifying Program:	Ch. 161A, §9, Acts of 2000
Agency:	Massachusetts Bay Transportation Authority (MBTA)

**PURPOSE:** For services rendered to those cities and towns within the Authority, an assessment will be administered in order to maintain and operate regional public transportation.

**ASSESSMENT FORMULA:** The MBTA is composed of 175 communities: the 14 original member communities of the Metropolitan Transit Authority (MTA), and 161 additional communities, which are receiving direct MBTA service. Chapter 161A of the Acts of 2000 increases the number of communities that constitute the MBTA from 78 to 175. The additional 97 communities have been receiving MBTA service; however, the original authorizing language made no provision for these communities to be assessed.

The Authority is required to assess each community's share of the overall Authority's assessments. All communities associated with the Authority must contribute to the MBTA State and Local Assistance Fund an amount not less than \$136,026,868. After fiscal year 2006, this amount has been adjusted each July 1 by the rate of inflation unless the total assessment exceeds 102 1/2 percent of the previous year's assessment. The individual communities' assessment is determined based on the following formula.

Each community's MBTA assessment shall equal its weighted share of the total population of the authority. Chapter 161A, Section 9 has determined the weights for each community. The population figures utilized in this calculation should be the most recent from the United States Census Bureau.

As of July 1, 2000, total assessments for the MBTA's net cost of service shall be frozen at the fiscal year 2000 level for the original 78 communities of the authority. Section 288 of Chapter 127 of the Acts of 1999, requires that in fiscal year 2002, each community assessed in fiscal year 2000 shall have its assessment reduced by one-fifth of the difference between its fiscal year 2000 assessment level and the level calculated according to Section 9 of chapter 161A. Each fiscal year thereafter, the assessment level of each city and town shall be increased by an equal amount until it reaches the full assessment as determined by section 9.

Beginning on July 1, 2001 (FY02), a community that is also a member of a regional transit authority (RTA) pursuant to Section 2 of Chapter 161B shall have 100 percent of the amount assessed for the operation of such RTA credited against its share of the assessment. The total amount of regional transit authority credits authorized will be re-assessed to the communities identified in the enabling legislation as the original 14 cities

and towns and the 51 cities and towns based on the weighted percentage of said communities' share of their population. The reallocation shall be done based upon the weighted population of each community to the total population of the aforementioned 65 communities.

A municipality that is not receiving para transit services from the authority will have 50 percent of the amount it expended in the previous fiscal year credited against its share of the assessment. The amount credited cannot exceed the total amount of the assessment. The credit will apply only to services provided to individuals eligible for para transit services. The credit is equal to the total costs incurred multiplied by the percentage of eligible ride certified patrons times the 50 percent credit.

**ADMINISTRATION:** The total annual MBTA assessment after fiscal year 2006, have been adjusted each July 1<sup>st</sup> by the growth rate of the inflation index over the preceding 12 months, however; said assessments cannot increase by more than 2½ percent of the prior year's actual assessment unless new or expanded service has been documented. The MBTA is required by law to notify the Treasurer in its Statement of Facts of the amount of the Net Assessable Cost of Service to be assessed to the communities within the district. The Statement of Facts is the official document for assessment purposes and is formally approved and certified by the MBTA Board of Directors.

**ASSESSMENT SCHEDULE:** Monthly.

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***Boston Metropolitan Transit District C2***

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Law(s) Creating/Modifying Program:	Ch. 383, §12, Acts of 1929, Ch. 535, Acts of 1954
Agency:	Boston Metropolitan District Commission

**PURPOSE:** To assess municipalities for the administrative costs and charges incurred by the Boston Metropolitan Transit District, also known as the Metropolitan Transit Authority (MTA).

**ASSESSMENT FORMULA:** As the predecessor to the MBTA, the Boston Metropolitan District was made up of the 14 municipalities: Arlington, Belmont, Boston, Brookline, Cambridge, Chelsea, Everett, Malden, Medford, Milton, Newton, Revere, Somerville, and Watertown.

The assessment pays for administrative costs and charges incurred by the District. The total assessment is assessed to member municipalities in proportion to their share of the District's total Equalized Valuation.

**ADMINISTRATION:** The total assessment cannot increase by more than 2½ percent of the prior year's actual assessment. The District is no longer active; it exists only to administer outstanding debt issued prior to the formation of the MBTA. The MBTA pays for the District's debt service costs. When the debt is retired in FY2025, the District will cease to exist, and the District assessment will no longer be a Cherry Sheet assessment item.

**ASSESSMENT SCHEDULE:** Monthly.



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***Regional Transit Authorities C3***

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Law(s) Creating/Modifying Program:	Ch. 161B, §§9, 10, & 23, Ch. 1141, Acts of 1973
Agency:	Division of Local Services, Department of Revenue, Executive Office of Transportation and Construction

**PURPOSE:** To assess municipalities in order to provide for a system of regional transportation authorities to develop, finance, and contract for the operation of transportation facilities and service outside the Metropolitan Boston area.

**ASSESSMENT FORMULA:** Between 25 - 50 percent of the total net cost of service of each regional transit authority is assessed to its member municipalities in proportion to the estimated cost of operating routes through those municipalities. A net operating deficit for each regional transit authority is calculated as the difference between the revenue sources (fares, advertisements and federal assistance) and the operating costs. This deficit is funded through assessments to member municipalities and state contract assistance.

**ADMINISTRATION:** The assessment of each regional transit authority is based on the audited local assessment report submitted to the Division of Local Services prior to the beginning of the upcoming fiscal year. For example, fiscal year 2009 audit reports received in December, 2009 are used in the FY2011 Cherry Sheets and Local Aid Assessments.

**ASSESSMENT SCHEDULE:** Monthly.

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***Special Education Assessment (Municipal D1, Regional 7A)***

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Law(s) Creating/Modifying Program:	Ch. 71B, §10 & 12, Ch. 766, Acts of 1972
Agency:	Department of Elementary and Secondary Education

**PURPOSE:** To partially reimburse the state for providing special needs education to children enrolled in state hospital schools.

**CHARGE FORMULA:** The cost that each municipality is charged is the average per pupil cost of education within the school district multiplied by the Full Time Equivalent of resident pupils served by the state. Current year charges are for pupils served in the prior school year.

**ADMINISTRATION:** The Department of Elementary and Secondary Education determines a per pupil cost for each school system based on enrollments and costs in the prior school year. The Department of Elementary and Secondary Education certifies charges to the Division of Local Services.

**ASSESSMENT SCHEDULE:** Charges will be deducted from the fourth quarter local aid distribution.

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***Small Town Road Assistance Program Repayments (STRAP) D2***

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Law(s) Creating/Modifying Program:	Ch. 637, §32, Acts of 1983, Ch. 811, Acts of 1985, Ch. 15, Acts of 1988
Agency:	Massachusetts Highway Department

**PURPOSE:** To reimburse the state for a portion of road assistance program grants made to municipalities with populations of fewer than 3,500 for capital construction projects promoting public safety and economic development.

**CHARGE FORMULA:** The state finances 100 percent of the cost of these road assistance programs in advance. Participating municipalities must repay 30 percent of the total state grant over a ten-year period. Towns shall be eligible to receive one grant every five years beginning on July first. Grants cannot exceed \$500,000. Payments are fixed at the time the grant agreement is finalized and no interest is charged.

**ADMINISTRATION:** Municipalities must apply to the Massachusetts Department of Transportation. Selection of grant recipients is based upon the urgency of each project for public safety purposes and the importance to local economic development. The 30 percent repayment must be within ten years of the date of the agreement. The Massachusetts Department of Transportation certifies the charges to the Division of Local Services.

**ASSESSMENT SCHEDULE:** Repayments will be deducted from the first quarter local aid distribution.

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## *School Choice Sending Tuition (Municipal E1, Regional 8A)*

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Law(s) Creating/Modifying Program:	Ch. 76, §12B, 1993, Ch. 71
Agency:	Department of Elementary and Secondary Education

**PURPOSE:** To assess the sending municipality or regional school district for pupils attending another school district under school choice. School choice tuition charges are assessed against the sending district and paid to the receiving school district.

**CHARGE FORMULA:** School choice tuition charges are assessed against sending districts in December, March and June. Payments are handled automatically through adjustments to the Monthly local aid distributions. The sending district is defined as the one a pupil would normally have attended had he or she stayed in their local school system.

Cherry Sheet estimates are based on the prior year's final tuition rates and enrollment figures. When providing the Division of Local Services' with cherry sheet estimates, ESE uses the most current information available at the time. Cherry sheet estimates for the upcoming fiscal year are based on final tuition rates and enrollment figures from April of the current fiscal year.

The tuition charge is based on the number of full time equivalent students multiplied by the per pupil tuition rate. Information on enrolled choice students is first obtained from receiving districts' enrollment submissions as of October 1 of the current fiscal year. The December and March distributions are based upon these October student counts. In April, receiving districts provide more detailed information on enrollment dates and special education costs. This information is used to calculate final full time equivalency and tuition rates for the current fiscal year. June assessments are the net amounts due for the fiscal year.

To verify these claims, ESE sends district reports in December, and again at the end of June, showing the name, grade, program and estimated annual tuition for each pupil based on the prior fiscal year's final enrollment figures and tuition rates. Any errors should be reported to ESE's School Finance office. Adjustments will be made to the current year payments to account for reported errors or updates in calculations.

Per pupil tuition rates are based on receiving districts' per pupil costs for the prior fiscal year. Costs are based on instruction, pupil services, administration, maintenance and fixed charges. A student's tuition equals 75 percent of the per pupil cost, up to a limit of \$5,000. For a student with an individualized education plan, a special education increment augments that tuition. The amount of the increment is determined by applying annual cost rates to the specific services cited in a pupil's individual education plan.

**ADMINISTRATION:** The Department of Elementary and Secondary Education calculates a per pupil cost for each school system based on enrollment reports and tuition rates. The Department of Elementary and Secondary Education certifies charges to the Division of Local Services.

**ASSESSMENT SCHEDULE:** December, March and June.

For more information please visit: <http://finance1.doe.mass.edu/schoice/>

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## ***Charter School Sending Tuition (Municipal E2, Regional 9A)***

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Law(s) Creating/Modifying Program:	Ch. 71, §89, 2004, Ch. 352, §31
Agency:	Department of Elementary and Secondary Education

**PURPOSE:** To assess the sending municipality or regional school district for pupils attending charter schools. Charter school tuition charges are assessed against the sending district and paid to the charter school district.

**CHARGE FORMULA:** Charter Schools shall receive per-pupil payments from sending districts equal to the average cost per student in that district, plus a capital funding share equal to the state average of what districts pay per pupil in principal and interest for land and buildings.

Cherry Sheet assessments for the upcoming fiscal year are based on pre-enrollment data from March of the current fiscal year. Charter schools are required to finish their enrollment reports by March 15<sup>th</sup> of the current fiscal year. ESE reports to each district by April 1<sup>st</sup> the number of students who are anticipated to attend charter schools during the upcoming school year. When providing the Division of Local Services' with cherry sheet estimates, ESE uses the most current information available at the time.

Charter schools are required to submit actual enrollment reports to ESE in October and March of the current year. These figures are used to calculate tuition rates for the current year. Any changes to enrollment figures and tuition rates will alter a district's remaining assessments.

There are three steps to determining a pupil's charter school tuition.

Each pupil at a charter school generates a foundation budget dollar amount specific to his or her grade level, program and low-income status. The foundation budget is a dollar amount used in the Chapter 70 education aid formula to represent an adequate spending level. For charter schools, the foundation budget amount does not include special education costs or out of district tuition. The amounts for all of a charter school district's pupils are summed and then divided by the number of pupils from that district to arrive at an average per pupil foundation rate.

Most districts spend more than their foundation budget requires. The percentage above foundation is applied to the charter foundation rate. A district's current year budgeted net school spending is reduced by any special education tuition and retired teachers' health insurance above the district's foundation budget (these items are removed because charter schools do not incur these costs). The remaining amount is compared to the foundation budget, and the percentage above foundation is applied to the charter foundation rate.

The final step consists of adding a capital facilities component; because foundation budgets and net school spending do not contain this piece of the budget. A fixed dollar amount per pupil, adjusted for inflation, is set by each year's state budget language. In FY11 the per pupil amount is \$893.

**ADMINISTRATION:** The Department of Elementary and Secondary Education determines an average per pupil foundation for each school system based on enrollment reports and tuition rates. The Department of Elementary and Secondary Education certifies charges to the Division of Local Services.

**ASSESSMENT SCHEDULE:** December, March and June.

For more information please visit: <http://finance1.doe.mass.edu/charter/>

## IV. Cherry Sheet Resources

The Cherry Sheet Resources' section is an Internet directory of available reports and materials related to the Cherry Sheet. All of the resources listed below are available on the Municipal Databank Website. To access the information, click on the link preceding each description.

[Municipal Spreadsheets](#): Cherry Sheet files and spreadsheets containing financial and socioeconomic information for every municipality and regional school district.

### Reports Comparing All Communities & Districts

[Net State Aid](#): Details each municipality's and regional school district's Cherry Sheet receipts, assessments and the net amount of aid for each year since FY1981.

[Cherry Sheet Receipts & Assessments](#): State aid figures detailing each cherry sheet program amount by community or district.

### Reports for Individual Communities

[Cherry Sheets](#): Provides estimated Cherry Sheet receipts or assessments.

[State Aid Trends](#): Provides a multi-year look, by program, at a community's or school district's Cherry Sheet estimated receipts or charges.

[Actual Distributions and Reimbursements](#): All distributions and reimbursements administered by DLS.

Each year after the final Cherry Sheets are released the DLS issues an Informational Guideline Release (IGR), which provides municipal officials with information on the dates they can expect payments from each Cherry Sheet program. The IGR also describes when assessments will be deducted from local aid distributions. This IGR can be found at the following link:

[Payment Schedule for Cherry Sheet Programs](#)

### Contacts

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