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DOR 360



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DLS Website Survey Results Released DLS Stakeholder Satisfaction Committee

The DLS Stakeholder Satisfaction Committee recently commissioned a survey designed to gather opinion of the DLS website and received 468 responses. The survey results may be viewed [here](#).

Most of the respondents, 90 percent, work for local or state government, and 88 percent visit the website in the course of their duties.

In general, website content and navigation received good ratings; nonetheless, 97 comments were submitted by those who felt at least one portion of the website rated as "below average" or "poor", and another 156 comments were received in response to an open-ended question that asked "What website improvements, content, or features would you suggest?"

Those comments will guide a newly-appointed Website Improvement Team headed by DLS IT Director Dave Davies in making changes and improvements to the website.

More than 40 individuals also identified themselves as willing to participate in a roundtable on the website.

DLS thanks those who participated in the survey, and will report back on changes that are made to the website as a result of the survey.

Moving to Monthly Local Aid Distributions

Municipal Databank/Local Aid Section

Who knew that a piece of legislation entitled *An Act to Improve the Administration of State Government and Finance* would have a positive impact on municipal finance?

Well, [Section 116 of Chapter 165 of the Acts of 2012](#) requires that cities and towns receive the vast majority of their local aid distributions on a monthly basis rather than the current quarterly schedule.

The transition to monthly local aid payments will begin this July, the first month of FY2014. Section 116 of Chapter 165 amended MGL Chapter 58 Section 18C, the general law that established the quarterly distribution of local aid. The revised statute defines "budgeted aid" as unrestricted aid to cities and towns including the proceeds from the state lottery, Chapter 70 education aid and State Owned Land reimbursements. These three accounts, Chapter 70, Unrestricted General Government Aid and State Owned Land reimbursements, constitute about 96 percent of the total municipal cherry sheet aid and must be paid monthly. Chapter 70 payments to regional school districts will also be paid on a monthly basis. Section 116 further states that aid not included in the definition of "budgeted aid" *may* be paid on a monthly basis and that the section should not be construed to prohibit the deduction of assessments from these monthly distributions.

The positive impact on local and regional school finances, especially for those that receive a significant portion of their budget from local aid, appears through improved cash flow. For example, in a community that receives \$12 million annually in budgeted aid, rather than receiving \$3 million at the end of the first quarter in September, the town will receive \$1 million at the end of July, another \$1 million at the end of

August and the third million at the end of September. Consequently, within this quarter, the town is paid \$1 million two months earlier than before and another \$1 million one month earlier than it would have been paid with quarterly payments. With improved cash flow, there will be less need to borrow in anticipation of revenue, greater balances maintained in bank accounts and the prospect for improved investment earnings when interest rates increase.

The tables that follow contain the new schedules for the payment of impacted cherry sheet receipts and assessment programs that are administered by the Division of Local Services. There are two accounts where the payments will not occur monthly but will continue to be made after the submission of required reimbursement forms. These are the exemption reimbursements for disabled veterans, blind and surviving spouses and smart growth education reimbursements. Elderly exemption reimbursements will be paid monthly as these payments are made in the year following the granting of the exemption at the local level.

Receipt programs that will be impacted as a result of this change are: Chapter 70, Unrestricted General Government Aid, State Owned Land, School Choice Receiving Tuition, Essex Tuition, Suffolk County Retirement and Elderly Exemptions. With the exception of Charter School Tuition, cherry sheet assessments will also be deducted on a monthly basis. Charter School Tuition assessments will not be deducted until the end of December, consistent with the current schedule. The difference, however, is that the assessment will be divided into seven monthly deductions rather than the current system where the assessment is divided by three and deducted over the last three quarters in December, March and June. Charter tuition reimbursements will be paid on the same schedule as the tuition assessments. With total Charter School Tuition assessments expected to top \$400 million in FY2014, this is by far the largest assessment program on the cherry sheet. By comparison, the next largest assessment is for the Massachusetts Bay Transit Authority (MBTA) and projected to be about \$157 million in FY2014.

Currently, there are two obstacles to moving the charter assessments and reimbursements to a twelve month schedule. First, the initial cherry sheet estimates are based on pre-enrollment reports from charter schools filed in the spring

prior to the start of the school year. By law, the pupils reported on this pre-enrollment report serve as the upper limit on the number of pupils for which the charter school may receive tuition payments. Consequently, there is a financial incentive for charter schools to report all possible students that might enroll when school opens. However, past practice has been to not start the actual assessments until December when more accurate assessments are available based on October 1st actual enrollments. Another issue is that [the Board of Elementary and Secondary Education regulations](#) currently require that charter schools be paid quarterly. If these issues can be addressed through technical corrections to the charter school statute and regulations, we hope to allocate the charter assessments, payments and reimbursements over a twelve month schedule in the future.

**Tables with Programs Impacted:
Receipt Programs:**

Program	Current Payment Schedule	New Payment Schedule
Chapter 70	Quarterly	Monthly
Unrestricted General Government Aid	Quarterly	Monthly
State Owned Land	Annually	Monthly
School Choice Receiving Tuition	Dec., March & June	Monthly
Charter Tuition Reimbursement	Dec., March & June	Monthly beginning in Dec.
Essex Tuition	Quarterly	Monthly
Charter School Receiving Tuition	Quarterly	Quarterly
Suffolk County Retirement	Quarterly	Monthly
Elderly Person Exemption Reimbursement	Annual	Monthly

Assessment Programs:

Program	Current Payment Schedule	New Payment
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		Schedule
Suffolk County Retirement	Quarterly	Monthly
Retired Employees Health Insurance	Quarterly	Monthly
Retired Teachers Health Insurance	Quarterly	Monthly
Mosquito Control Projects	Quarterly	Monthly
Air Pollution Districts	Quarterly	Monthly
Metropolitan Area Planning Council	Quarterly	Monthly
Old Colony Planning Council	Quarterly	Monthly
RMV Non-Renewal Surcharge	Quarterly	Monthly
MBTA	Quarterly	Monthly
Boston Metro. Transit District	Quarterly	Monthly
Regional Transit	Quarterly	Monthly
Special Education	Annually, 4 th Quarter	Monthly
STRAP Repayments	Annually, 1 st Quarter	Monthly
School Choice Sending Tuition	One third (1/3) Dec., March & June	Monthly
Charter School Sending Tuition	One third (1/3) Dec., March & June	Monthly beginning in Dec.
Essex County Tech Sending Tuition	Quarterly	Monthly

For additional information please contact the Municipal Databank/Local Aid Section of the Division of Local Services at (617) 626-2386.

Senate Ways and Means Budget

Yesterday, the Senate released its [FY2014 Budget Recommendation](#). Shortly, the Division of Local Services will

be providing updated local aid proposals based upon those numbers. Please feel free to check the [DLS Cherry Sheet page](#) for updates. Please be aware that these estimates are subject to change as the state budget process progresses.

Reminder: FY13 Municipal Healthcare Reform Reports Due June 30th

Pam Kocher - Director of Local Policy, Executive Office for Administration and Finance

These annual reports are required of all political subdivisions (including city, town, regional school district, or other type of district) per Executive Office for Administration and Finance Regulation 801 CMR 52.07(2). Reports must be submitted electronically to MunicipalHealth@state.ma.us.

There are three situations for which you must file this report:

- 1.) If you reached agreement using traditional bargaining in the fiscal year 2013 to make changes in health benefits, but didn't use the new reform process M.G.L. c. 32B, Sections 21-23.
- 2.) If you engaged in traditional bargaining talks but did not reach agreement during the fiscal year 2013 to make changes in your health insurance benefits.
- 3.) If you did not take any action during fiscal year 2013 to make changes in your health insurance benefits.

You do not have to file a FY2013 annual report: A.) If you have successfully completed the reform process, or B.) If you agreed prior to July 1, 2012 to join GIC.

The detailed Municipal Health Reform Reporting Requirements are available on the Executive Office for Administration and Finance [website](#).

Email your questions to MunicipalHealth@state.ma.us.

Catching Up with the CIC Program

Tim Dodd - Local Policy Program Manager, Executive Office for Administration and Finance

In February, Lt. Governor Murray and Secretary of Administration and Finance Glen Shor announced \$2.25 million in funding for a second round of the Community Innovation Challenge (CIC) grant program. The CIC program was first funded in Fiscal Year 2012, and has to date provided funding to 47 unique projects across the Commonwealth, involving 197 municipalities and 56% of the population of the Commonwealth. The Fiscal Year 2013 program provided funding to 27 projects, 7 of which expand the scope and number of communities of Fiscal Year 2012 projects and 20 of which are new projects. The projects include multiple service delivery areas, including veterans' services, public safety, public works, environmental protection, transportation, information technology, and public health. A list of all CIC projects is available on the CIC website [here](#).

In the early fall, final reports for each Fiscal Year 2012 project will be available on the CIC website. These reports will serve as implementation guides for municipalities interested in replicating successful projects.

National Day of Civic Hacking

June 1st, 2013 is National Day of Civic Hacking. Across the country, groups will be joining together to "leverage the expertise and entrepreneurial spirit of those outside federal, state and local government to drive meaningful, technology-based solutions for federal, state and local government."

An event is planned in Western Massachusetts with information available [here](#). For more on this national effort, please click [here](#).

May Municipal Calendar

1 Taxpayer

Deadline for Payment of Semi-Annual and 4th Quarterly Tax Bill Without Interest According Sec. 57, this is the deadline for receipt of the 2nd half actual tax payment, or the actual tax payment if an optional preliminary bill was issued. According to M.G.L. Ch. 59, Sec. 57C, this is the deadline for the 4th Quarter tax payment.

1 Treasurer

Deadline for Payment of 2nd Half of County Tax

1 Accountant/Treasurer

Notification of Amount of Debt Due in Next Fiscal Year As required by M.G.L. Ch. 44, Sec. 16 or Treasurer must notify the Assessors of all debt due in the next fiscal year because the municipality is required to pay its debts, appropriated or not. Since all debt service must be paid, any debt not covered by appropriations is added to the "Other Local Expenditures" category, found on 2 of the Annual Recapitulation Sheet. It is important that the Assessors have this information in order to avoid setting a tax rate lower than required and raising insufficient revenue to cover the municipality's expenditures.

15 DOR/BLA

Commissioner Determines and Certifies Telephone and Telegraph Company Valuations

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