



September 21st, 2017

In this issue:

- [Peering Over the Data: Tips for Comparing Communities](#)
- [A Brief Look Back: The Taxation Situation, 1931](#)
- [Data Highlight of the Month: Bond Ratings](#)

Important Dates

OSD: Upcoming Vendor Fairs

Do you know a business owner who would be interested in learning more about doing business with the Commonwealth? Forward them [the flyer for the upcoming vendor fairs](#). Four Vendor Fairs are scheduled in October:

LAWRENCE - October 5, 2017
[VendorFairLawrence.eventbrite.com](#)

FITCHBURG - October 11, 2017
[VendorFairFitchburg.eventbrite.com](#)

NEEDHAM - October 19, 2017
[VendorFairNeedham.eventbrite.com](#)

YARMOUTH - October 26, 2017
[VendorFairYarmouth.eventbrite.com](#)

If your organization is interested in hosting a Vendor Fair in your area, contact OSDoutreach@state.ma.us.

OSD: COMMBUYS Loyalty Program

The Operational Services Division has revamped the COMMBUYS Hall of Fame Program to make it more inclusive and also to incorporate a broader array of activities that are representative of successful COMMBUYS implementation. [View your current standings and program rules](#)

Peering Over the Data: Tips for Comparing Communities

Mary MacKinnon - Technical Assistance Bureau Project Manager

Are we funding police and fire services sufficiently? Are we spending too much on education? Is the library overstaffed or understaffed?

We frequently hear from municipal budget managers asking if they are managing resources effectively, spending wisely, and staffing adequately. When all you have to analyze is your own data, how do you know how you're doing? To answer these questions the natural tendency is to evaluate your town against its peers and neighboring communities. Understanding where your town ranks helps identify trends, stimulate discussion, and address budgetary and policy issues. The [DLS Databank](#) offers a variety of financial, property tax, and socioeconomic datasets, all of which easily export to Excel to facilitate data collection.

Suppose you want to analyze your town's spending on public education as compared to other towns. Developing a peer group of communities with similar population, income, property wealth, and student enrollment attributes is a straightforward task. Yet compiling and presenting the total dollars spent on education across those peer communities is insufficient as there are numerous other influencing factors that, when ignored, can lead to flawed or incomplete comparisons. For example, expenditures may be accounted for differently across communities (e.g., utilities, maintenance, benefits), workforce skill sets, tenures, and educational composition may vary greatly, and programs offered in some communities may not be available in others. Additionally, the particular characteristics of student populations, class sizes, achievement levels, capital investments, and in- versus out-of-district placements affect any comparison of educational spending.

To strengthen the credibility of your research, apply the following principles:

No data is better than bad data. If your data samples are outdated, inconsistent, or incomplete your analysis will be deficient. If you cannot build reliable datasets, you should consider a different strategy.

Interesting trends are not always valuable trends. Invariably, comparing your

[here](#). Simply select your organization to get started. Contact OSD about joining COMMBUYS at 888-MA-STATE or COMMBUYS@state.ma.us.

MUNICIPAL Databank



Other DLS Links:

[Local Officials Directory](#)

[Information Guideline
Releases \(IGRs\)](#)

[Bulletins](#)

[Publications & Training Center](#)

[Tools and Financial
Calculators](#)

town's data against peers will reveal trends. While some trends (such as a student enrollment that surges every five years) may be interesting to explore, they may not lend any value to the analysis at hand.

Avoid chasing red herrings. Analyzing data can be both captivating and frustrating. Before you begin, know the questions you are trying to answer and stick to them. There's always a risk you might see something intriguing that causes you to misdirect the purpose of your comparison. Avoid those distractions and stick to the original hypothesis.

While data analysis is a vital tool, it doesn't provide all the answers. It is important to note that each community is unique and there is always a story beyond the data. Local policies, economic resiliency, and philosophies all influence the data and are not easily measured in a graph or chart. To ensure your findings are sound, research needs to go beyond the cells in a spreadsheet. Supplementing the data analysis by conducting interviews, researching the peer communities, and appreciating the unique differences among them will help develop a solid framework to support your conclusions.

A Brief Look Back: The Taxation Situation, 1931

Tony Rassias - Bureau of Accounts Deputy Director

"A Brief Look Back" reviews issues that affected municipal finance in the early twentieth century as written in the Annual Reports of what is now known as the Massachusetts Department of Revenue. This month, *City & Town* features "The Taxation Situation, 1931."

Introduction

From 1930 to 1931, total municipal revenues decreased by 1.4% while municipal expenditures increased by 3.9% led mainly by expenditures for charity and debt service. Debt increased by 4.1% and expenditure for capital items increased by 7.5%. (*Report on the Statistics of Municipal Finances – 1931*)

On January 31, 1932, in the midst of the Depression, Commissioner of Corporations and Taxation Henry F. Long submitted his Annual Report of 1931 to the Massachusetts Senate and House of Representatives. In his report, he included comments regarding government spending and government taxation during the Depression.

The following are excerpts from the Commissioner's Report.

By the Commissioner

Massachusetts with its approximately 4,280,000 people is now struggling under a

governmental cost of something approximating \$400,000,000 a year which cares for the State government, the county government and the city and town governments.

This amount, representing, as it does, nearly \$100 per capita has been constantly increasing in amount even during the period of depression. There are no discernible signs that this burden is going to be less in the immediate future. This largely because public welfare expenditures caused by unemployment will constitute an added demand upon government and because attempts to relieve some of the distress caused by unemployment is likely to encourage governmental outlays which might not be countenanced in ordinary unproductive periods.

A very definite change in the attitude of the people will be necessary if any substantial reduction in the governmental requirements is to be accomplished. As yet there appears neither in this State nor in any other State any real desire to abandon the well-established governmental aids to the comfort and the well-being of the people. Many will gladly discontinue in government all activities in which they have no interest but as yet the spirit of sacrifice of the things appealing is not apparent. We seemingly must wait until it is clearly apparent that all must give up at least a portion of the activities they now think are essential because the funds to provide them all at the present levels cannot be sustained. The base of all tax burdens having been established by definite, recurring requirements, the opportunity of reduction being a major operation not apparently generally favored, and the current measures for reduction being temporary in nature, Massachusetts faces the definite obligation of raising at least as much if not more money for governmental needs for the immediate future.

The cities and towns dependent upon a tax on real estate and tangible personal property find the values of these capital assets constantly shrinking and the capacity of the persons owning the property to pay taxes materially lessened. The personal income tax strictly a major source of revenue for the cities and towns has reduced its revenue-producing qualities very sharply and materially during the last few years by diminishing values in stocks and bonds sold and through their lessening income producing qualities. The municipalities of Massachusetts as well as the State itself must face the facts, which are on the one hand an increasing cost of government constantly to grow unless all unite in putting the brakes on, and on the other hand, a steadily shrinking ability of the people to pay from revenue accruing through the successful operation of their talents or the turn over of capital values however expressed.

The problem of taxation remains, however, to be purely a problem of expenditures. The problem of expenditures remains as the problem growing out of expressed desires for governmental activities expensive in character which the small percentage of those paying direct taxes are at least during period of depression incapable of carrying.

If you are interested in reading the Commissioner's entire comments on the matter,

[click here.](#)

Data Highlight of the Month: Bond Ratings

Anthonia Bakare - Municipal Databank

The Division of Local Services publishes municipal bond ratings from two rating agencies: Moody's and Standard & Poor. A bond rating is a professional assessment that reflects the issuer's ability to repay a bond at its maturity.

The Databank has recently posted FY17 bond ratings. They are available on the Databank Reports webpage under Debt and Other Financial Indicators or by clicking these links for [Moody's](#) and [S&P](#). Also, available on the Databank website are two documents that explain the ratings from each agency. Click here for the [Moody's](#) explanation and the [S&P](#) explanations.

S&P	A	A-	A+	AA	AA-	AA+	AAA	N/A	Total
	2	1	5	44	21	72	61	142	351

Moody's	A1	A2	A3	Aa1	Aa2	Aa3	Aaa	N/A	Total
	28	5	3	20	56	58	14	167	351

We hope you become better acquainted with the data the Division of Local Services has to offer through the *Data Highlight of the Month*. For more information, contact us directly at databank@dor.state.ma.us or (617) 626-2384.

September Municipal Calendar

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|----|---|---|
| 15 | Assessors | Submit Property Sales Report (recommended date)
Assessors use the Property Sales Report (LA-3) to conduct assessment/sales ratio studies and to satisfy the requirement to report all property sales over \$1,000 to BLA. |
| 15 | Accountant and Assessors | Jointly Submit CPA Surcharge Report
This is the deadline to submit Form CP-1 (statement of the prior year's net CPA surcharge levy) to MDM in order to receive matching funds from the State Treasurer's distribution on November 15. |
| 15 | Accountant | Submit CPA Projects Report
This is the deadline to enter new CPA projects and to update existing ones in the MassGIS CPA projects database in order to receive matching funds from the State Treasurer's distribution on November 15. |
| 30 | Accountant, Superintendent and School Committee | Jointly Submit End of Year Report to DESE
DESE uses this report to determine the community's compliance with prior-year and current-year NSS requirements. |
| 30 | Accountant | Submit Snow and Ice Report
The Accountant submits to BOA this statement of prior-year snow and ice expenditures and financing sources. It is used to support a deficit in the previous fiscal year's snow and ice removal account, the total or a portion of which is funded without appropriation and reported on the following fiscal year's recap. |
| 30 | Treasurer | Submit Statement of Indebtedness
Under M.G.L. c. 44, § 28 , BOA requires the Treasurer to submit this report of the community's debt obligations. Prior to filing the statement, the Treasurer should conduct a reconciliation with the Accountant to ensure the debt data agrees with the balance sheet. |
| 30 | State Treasurer | Notification of Monthly Local Aid Distributions , see IGR 17-17 for more cherry sheet |

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