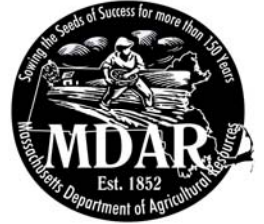


THE COMMONWEALTH OF MASSACHUSETTS
 Department of Agricultural Resources
**State Reclamation and
 Mosquito Control Board**
 251 Causeway Street, Suite 500
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Policy 2005-2

MOSQUITO CONTROL BUDGETS AND FUNDING

Introduction and History

Historically, funding for mosquito control projects was “subject to appropriation” by the state legislature based on formulas established in their enabling act of legislation creating the particular project or district. The formulas are based on equalized valuation and/or land area. The funding amounts for each district would appear in the state budget as a separate line item. The district funding would be assessed to member communities via the cherry sheet. Essentially, those municipalities receiving mosquito control services reimburse the state for the costs of providing these services from local aid allocations. In the main, the role of the legislature in its appropriation responsibility was to certify the total amount of aid cities and towns would have available to pay for mosquito control and other services provided by the state.

In FY2001 the original set up was changed from the legislature role regarding “subject to appropriation” to trust accounts. The same mechanism as above applies, however, in that cherry sheet assessments are still estimated and assessed by the state through the Department of Revenue Division of Local Services’. In addition, pursuant to Section 5A of Chapter 252 of the MGL, the State Reclamation and Mosquito Control Board (the Board) has statutory oversight authority of mosquito control districts and projects budgets. The Board certifies to the Division of Local Services and State Comptroller that trust fund expenditures for any fiscal year will not exceed assessments against cities and towns for that fiscal year (see citation below).

Policy 2005-2

MOSQUITO CONTROL BUDGETS AND FUNDING

Notwithstanding the provisions of any general or special law to the contrary, expenditures and other financial uses charged to said fund shall not be subject to appropriation, and shall include salaries and other costs of state employees, operational expenses, acquisition of capital equipment and property, and other expenses deemed necessary to the state reclamation board's successful operation as determined by the director of said board. Revenue and other financial sources credited to said fund shall include funds made available pursuant to this chapter, and interest income from investments made by the treasurer on behalf of the fund. For the purpose of accommodating timing discrepancies between the receipt of revenues and related expenditures, notwithstanding the provisions of any general or special law to the contrary, the board may incur expenses and the comptroller may certify for payment amounts in anticipation of receipts. The board shall annually certify to the comptroller that expenditures for the fiscal year do not exceed related assessments.

Clarification

For the purpose of clarification, the State Reclamation and Mosquito Control Board determined that the Commonwealth funds mosquito control in Massachusetts for eight organized or regional mosquito control districts. State aid appearing on a members cherry sheet is used to pay for the service provided by the district. Revenue generated at the local level, such as property or motor vehicle excise taxes, does not fund mosquito control services in Massachusetts. State funding in the form of local aid distributions are intercepted for the purpose of funding mosquito control assessments and other charge programs.

New Process for Mosquito Control Funding Review and Approval

By law, the Department of Revenue (DOR) must provide municipalities with estimates of cherry sheet receipts and assessments; one such program is for mosquito control services. In the case of the mosquito control program, the DOR will quarterly assess the municipality receiving mosquito control services in **September, December, March, and June**. As a result, it is important that mosquito control budget funding be reviewed on a regular schedule so that DOR can meet its statutory obligations.

MOSQUITO CONTROL BUDGETS AND FUNDING

Therefore, **the Board is establishing the following process** to insure that:

- Both actual and estimated mosquito control assessments are submitted based on a schedule developed by the DOR and the Board (see below). This is to facilitate DOR's publishing of cherry sheets and processing of quarter local aid distributions and assessments;
- The Board makes a formal review and certification of mosquito control district and SRMCB administrative budgets via a vote at one of its annual meetings;
- Mosquito control district and SRMCB administrative budgets comply with state laws pertaining to both requesting and justifying of budgetary increases (if any);
- Mosquito control commissions make sure that communities joining or withdrawing from a mosquito control district indicate on town meeting warrants effective date that membership begins or ends;
- The mosquito control commissions and its Superintendent/Director follow a communication protocol developed by both DOR and the Board.

Mosquito Control Data Submission Schedule

The following schedule must be followed which affects both the current and upcoming fiscal year. *Note: The Board recommend that you enter these dates in your work calendar in order for the Board to meet the DOR deadline.*

Mosquito control Commissions are directed to submit their approved budget numbers to the Board on the following three (3) dates:

On or Before December 30th

- *Preliminary budget figures* for upcoming fiscal year (both mosquito control districts and state reclamation and mosquito control board)
- Updated actual budgets for current fiscal year (both mosquito control districts and state reclamation and mosquito control board)

MOSQUITO CONTROL BUDGETS AND FUNDING

On or Before May 15th

- Final budget figures for upcoming fiscal year (both mosquito control districts and state reclamation and mosquito control board)

Note: These figures will appear on final cherry sheets released once the Governor has approved the state budget. These numbers should include any changes to the estimated numbers submitted in the Governor's Budget Recommendation (House 1).

On or Before October 15th

- Updated actual budgets for current fiscal year (both mosquito control districts and state reclamation and mosquito control board)

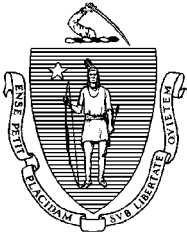
Note: These updates should include any membership changes occurring as a result of fall town meetings.

Mosquito Control Communication Protocol

Communications regarding mosquito control estimated and actual budgets should be done by e-mail. **E-mails should be sent to the projects administrator and copied to all State Reclamation and Mosquito Control Board members.**

The projects administrator, after the Boards approval, will forward estimated and/or actual budgets to DOR using a predefined spreadsheet template.

Any communication with DOR regarding funding assessments must be sent by e-mail to the following e-mail databank@dor.state.ma.us and **copied to the Board.**



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Mosquito Control Funding Questions And Answers (May 2005)

Q. Are funds expended by mosquito control districts and projects state funds?

A. Yes, monies expended to manage and control mosquitoes in Massachusetts are derived from state funding.

Q. How can the funds expended by mosquito control districts and projects be state funds since these monies are assessed or charged to cities and towns via the "cherry sheet" who opt for mosquito control services?

A. The monies assessed or charged to cities and towns are part of the local aid distribution process. Funding assessed or charged are deducted from the local aid payments (which are state derived funds) to cities and towns based on assessments that the Department of Revenue calculates for the service provided (i.e. mosquito control). In other words, revenues collected at the local level from taxes do not fund mosquito control services. Before local aid payments go to local governments, they get reduced for services such as mosquito control.

Q. What is the "cherry sheet"?

A. The Cherry Sheet is the official notification from the Commissioner of Revenue of the next fiscal year's state aid and assessments to cities, towns, and regional school districts.

Mosquito Control Funding Questions And Answers (May 2005)

Q. What is the purpose of the “cherry sheet”?

A. 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.

Q. Several years ago, mosquito control budgets appeared as line items in the State Budget and the legislature changed this in 1999 to Trust Accounts. Why?

A. The intent of the legislation in 1999 reflects that the mosquito control budgets did not need to be appropriated in the state budget (which is the purpose of the budget) because these funds were assessments against local governments.

Q. Although oversight of mosquito control services in Massachusetts is at the state level, why are these services subject to Proposition 2 ½?

A. Other regional services provided to cities and towns including but not limited to the MBTA, Air Pollution Districts, Regional Transit Authorities and mosquito control are governed by the rules of Proposition 2 ½. These services are reflected on the cherry sheet in the form of assessments and charges. State assessments and charges that appear on the cherry sheet that is not subject to Proposition 2 ½ are those that refer to a specific individual (i.e. health insurance premiums, non-payment of parking violations (rmv surcharges) and tuition assessments for students attending out of district schools). However, the administering agencies or authorities can increase their total assessments by more than 2½ percent if they can demonstrate to the Board and the Division of Local Services that the increase is due to the provision of new services.

Q. Who is the state administering authority for mosquito control regarding mosquito control funding?

A. According to Chapter 252 of the Massachusetts General Laws, the State Reclamation and Mosquito Control Board.

Mosquito Control Funding Questions And Answers (May 2005)

Q. What role do the State Reclamation and Mosquito Control Board play regarding mosquito control funding?

A. State agencies and authorities such as the State Reclamation and Mosquito Control Board certify after its review and approval the actual assessments to the Department of Revenue, Comptroller, and State Treasurer. The Division of Local Services within the Department of Revenue deducts a quarter of each assessment from the local aid distributions for those cities and towns who are members of mosquito control districts and projects.

Q. How are monies or funds that pay for mosquito control derived?

A. There are eight mosquito control districts or projects whose costs are apportioned to member municipalities on the Cherry Sheet. Each district relies on a separate formula based on their enabling Acts of Legislation establishing the mosquito control district or project 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.

Q. Do mosquito control districts pay for the administration of the State Reclamation and Mosquito Control Board?

A. No! Financing for the administration of the State Reclamation and Mosquito Control Board is assessed to member communities from each district.

Q. Where else can I find additional information on mosquito control funding?

A. Go to the following web sites

<http://www.dls.state.ma.us/cherry/csmanual.pdf>

<http://www.mass.gov/agr/mosquito/index.htm>