



August 17th, 2023



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By the Numbers

City & Town provides updates on the progress of the tax rate and certification process.

This information is available 24/7 by [clicking here](#).

Preliminary Certifications Approved:
0

Final Certification: 0 (of 67 total)

LA4 (Assessed Values): 6
approved (8 submitted)

LA13 (New Growth):
6 approved (7 submitted)

Tax Rates: 0 approved

Balance Sheets: 12 approved

Total Aggregate Free Cash
Approved: \$58,816,760

Important Dates & Information

**"Adopting Local Option
Excise Taxes" Training
Video Now Available**

The Division of Local Services is

Partnering with our Cities and Towns – FY24 Funding Updates

**Secretary Matthew J. Gorzkowicz - Executive Office for
Administration & Finance**

FY24 Budget

On Wednesday, August 9, Governor Healey signed the FY24 budget, representing \$55.98 billion in historic investments in schools, child care, workforce development, public transit, housing, climate resiliency and other key areas that will help make Massachusetts more affordable, competitive, and equitable.

In collaboration with our partners in the Legislature, the budget includes hallmark proposals from Governor Healey, including making community college free for students aged 25 and older through MassReconnect, expanding Commonwealth Cares for Children (C3) grants for early education and care providers, increasing funding for Early College, Innovation Career Pathways, apprenticeships and other workforce development programs, and dedicating 1 percent of the budget to energy and the environment for the first time.

Through the FY24 budget, the Healey-Driscoll Administration is reaffirming our commitment to the state's partnership with cities and towns, making historic investments in Chapter 70 school aid, unrestricted government aid, and student transportation. This spending plan fully funds another year of the Student Opportunity Act and dedicates resources to help cities and towns redevelop and

pleased to announce the availability of a [new training video](#) explaining the process for adopting a local option excise on room occupancy, meals and adult use recreational marijuana, or a community impact fee on short-term rentals in your community. The training also covers the Division of Local Services' role in local option excises, discusses the timetable involved with adopting any of these options, and provides examples of warrant language to assist you in preparing for a vote on a local option excise tax.

The [training video](#) is now available on the DLS YouTube channel, along with the [presentation slides](#). Additional [local options related training resources](#) and [local options data and reporting](#) information is also available on the DLS website. If you have any questions relative to adopting local option excise taxes please contact databank@dor.state.ma.us.

Be sure to bookmark the [Municipal Finance Training & Resource Center](#) page and subscribe to our [YouTube channel](#) to stay updated on new items added.

OIG Offers No Cost Procurement Training for Municipalities

The Office of the Inspector General introduced a pilot program, "One Free Designee," that offers core public procurement training to one public employee per municipality at no cost. Effective in FY 24 (July 1, 2023 – June 30, 2024), the OIG is offering free tuition for the three courses required for one employee to receive MCPPO designation to any municipality in the Commonwealth for whom the cost is a barrier. The \$100 fee associated with all designation applications and renewals has been eliminated.

To receive the free training for an employee, the chief municipal officer (Mayor, Manager/Administrator or Select Board Chair) must submit a [form](#) indicating the employee they wish to receive the training and an acknowledgement that obtaining the cost of training could be a factor in obtaining the designation. The class schedule and enrollment form will be issued later this summer.

If you want to learn more about the MCPPO designation, please visit our [website](#). If you have any questions, please email the OIG at MA-IGO-TRAINING@mass.gov.

[One Free Designee Application Form | Mass.gov](#)

revitalize their downtowns.

In total, cherry sheet aid to municipalities across the Commonwealth is increasing \$648 million, or 8.4%, over FY23, totaling \$8.37 billion.

With this being the administration's first budget, we are excited to share some of the details on our support for cities and towns.

Unrestricted General Government Aid (UGGA)

A cornerstone of the administration's commitment to partnering with municipalities is the expansion of Unrestricted General Government Aid, supporting essential local government services, including public safety, public works, and economic development. In FY24, UGGA is increasing by \$39 million, or 3.2%, over FY23, totaling \$1.27 billion.

Education: Fully Funding the Student Opportunity Act

The administration is focused on ensuring that all students have access to a high-quality public education. In FY24, Chapter 70 aid is increasing by \$594 million, or 9.9%, over FY23, totaling \$6.59 billion. This represents full funding of the Student Opportunity Act, the largest nominal increase in the history of the program, and the largest percentage increase in more than two decades.

The budget also funds major increases in school transportation reimbursement (\$21.3 million, 20%) and rural school aid (\$9.5 million, 173%). It includes full funding for Special Education Circuit Breaker.

FY24 also includes funding to make universal school meals permanent, ensuring every student across the Commonwealth has access to healthy nutrition during the school day.

For school buildings, the FY24 budget includes \$50 million for the new Green School Works program, providing grants to school districts for clean energy infrastructure, \$100 million in supplemental grants to mitigate cost increases at school construction projects previously funded by the MSBA and an increase in the MSBA's

Latest Issue of *Buy the Way* Now Available

Don't miss [Issue #22 of Buy the Way](#), the official magazine of the Operational Services Division (OSD).

[Click here](#) to get news and updates from OSD delivered to your inbox.

Recent Flooding Events – Emergency Expenditure Process for Municipalities

In light of the recent flooding events in the Commonwealth, the Division of Local Services (DLS) would like to direct municipal managers to the DLS resources regarding emergency declarations and emergency spending procedures under MGL 44 § 31.

[Emergency Expenditures, Chapter 44, Section 31](#)

DLS is ready to assist you in any way we can. If you have further questions please contact your [Bureau of Accounts Field Representative](#).

OSD Climate Action Survey: Meeting Your Electric Vehicle Needs

The Operational Services Division consistently reviews the marketplace, buyer purchasing trends, and our Statewide Contract portfolio to determine if there are gaps in our offerings. The Local Government Enablement team at OSD is reaching out to our municipal partners to understand your goals with respect to Climate Action Initiatives, with a focus on Vehicles, Vehicle Infrastructure, and Grants. Your feedback will inform our Statewide Contract procurement activities going forward and ultimately assist municipal organizations in meeting their short- and long-term purchasing goals.

[Take the survey](#)

DLS Links:

[COVID-19 Resources and Guidance for Municipal Officials](#)

[Events & Training Calendar](#)

[Municipal Finance Training and Resource Center](#)

statutory cap to \$1.2 billion.

Municipal Partnerships

The FY24 budget also includes funding for critical partnership programs between municipalities and the state. Some examples include:

- Increasing payments in lieu of taxes (PILOT) for state-owned land by \$6.5 M (14%).
- Increasing funding for public libraries by \$3.8 million (12%).
- \$100 million in supplemental aid for municipal road and bridges, funded by Fair Share surtax revenues.
- \$16.3 million in funding for the Municipal Regionalization and Efficiencies Incentive Reserve, which funds programs including the Community Compact's Best Practice (\$2.1 million) and Efficiency and Regionalization Grant (\$600,000) programs.
- \$600,000 for the Massachusetts Downtown Initiative for municipalities looking to revitalize their downtowns.

FY24-FY28 Capital Investment Plan

On June 22, the Healey-Driscoll Administration released its first five-year Capital Investment Plan (CIP), outlining more than \$14 billion in investments over five years to build a more affordable, competitive, and equitable future for Massachusetts.

The investments in the FY24-FY28 CIP complement and build on the funding proposed in the administration's inaugural operating budget, with a particular emphasis on advancing climate, economic development, and housing goals – including the creation of a new \$97 million HousingWorks program.

For municipalities, the CIP includes significant funding for transportation, economic development, climate initiatives,

[Local Officials Directory](#)

[Municipal Databank](#)

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

[Bulletins](#)

[Tools and Financial
Calculators](#)



technology infrastructure, and more.

Transportation

FY24 investments in transportation infrastructure across our cities and towns include:

- \$200 million for Chapter 90 local transportation projects
- \$25 million for the Municipal Pavement Program
- \$15 million for the Municipal Small Bridge Program
- \$15 million for the Complete Streets Program
- \$8.5 million for the Shared Streets and Spaces Program
- \$6 million for the Local Bottleneck Reduction Program

Economic Development

The Healey-Driscoll Administration is committed to working with local leaders to build vibrant communities, revitalize downtowns, and create economic opportunity for all Massachusetts residents. In FY24, investments through the CIP include:

- \$96 million for MassWorks infrastructure grants
- \$16.6 million for Revitalizing Underutilized Properties
- \$5 million for the Rural and Small Town Development Fund

Climate

Withstanding the climate crisis and protecting our environment requires a strong partnership between the state and local communities. The FY24 CIP continues investments in EEA's programs that support communities as they plan for the future, including:

- \$41.2 million for the Clean Water Trust Revolving Fund
- \$23.7 million for the Municipal Vulnerability Program (MVP)
- \$21 million for Community Investment Grants
- \$12 million for Inland Dams and Seawalls
- \$10 million for MassTrails grants to municipalities

Technology

Ensuring that all municipalities have the necessary technological infrastructure is critical for growth throughout Massachusetts. The FY24 CIP invests:

- \$6.5 million for the Broadband Middle Mile Program
- \$5 million for the Community Compact Municipal Fiber Grant Program
- \$5 million for Community Compact Information Technology Grants
- \$1 million for the Broadband Last Mile Program

Other Municipal Funding

- \$25 million for Library Construction Grants
- \$10 million for Cultural Facilities Fund Grants
- \$4 million for Municipal ADA Improvement Grants
- \$1.6 million for Historic Preservation Grants

We remain committed to working with our municipal partners in support of your efforts to make our Commonwealth stronger for all.

Thank you for your dedication and hard work!

For more information on the FY24 budget, please visit

www.mass.gov/gaa.

For more information on the FY24-FY28 Capital Investment Plan, please visit www.mass.gov/capital.

Register Today for the 2023 "What's New in Municipal Law" Seminars

The Division of Local Services [Municipal Finance Law Bureau](#) will offer its annual ["What's New in Municipal Law" seminars](#) for local officials on Thursday, September 21, 2023 at the Bentley University Conference Center in Waltham and Thursday, September 28, 2023 at the Log Cabin Banquet & Meeting House in Holyoke. The seminars will be held in-person and run from 9am to 3pm.

The registration fee is \$100. Payment must be received by Friday, September 15th. Event check-in opens at 8:15am. Lunch will be provided.

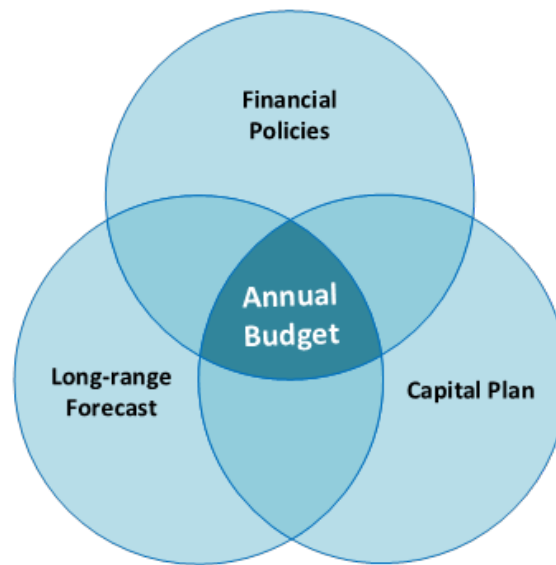
To view the registration form, please [click here](#). Any questions regarding the seminars should be directed to dlsregistration@dor.state.ma.us.

Highly Recommended: Formal Financial Policies

The DLS [Financial Management Resource Bureau](#) (FMRB) provides tailored consultative services to municipalities across the state. Articles in this series highlight a particular financial management best practice that we frequently recommend.

The adoption of formal financial policies is a best practice that serves many important purposes. Among the most crucial of these is the directive guidance that fiscally prudent policies provide for achieving sound, long-term budgeting practices. Along with a capital improvement plan and long-range forecast, financial policies constitute one of the three key tools that DLS encourages all

communities to employ to shape the development of annual budgets that are balanced and sustainable into the future.



At a basic level, a policy constitutes a high-level plan for achieving certain goals within a defined topic area. In municipal government, financial policies can be divided into two broad categories. Fiscal planning policies present a roadmap to guide short- and long-term budget decisions. When they are well-reasoned, such policies help mitigate the risk of developing any structural imbalances while also providing a framework for sustaining and enhancing services. As the other category, financial operations policies promote accountability and enhanced coordination of services by defining procedural objectives and the related responsibilities assigned to applicable municipal officials and employees.

Financial policies should be understood as a foundational component of the government's larger system of internal controls and are themselves a form of internal control of the directive variety. It is because of this vital function that credit rating agencies such as Moody's and Standard & Poor's look favorably upon the presence of strong formalized policies when determining a community's bond rating, which has a significant impact on the cost of borrowing.

The effort to research, discuss, write, review, and finally adopt policies can seem a daunting task. As a result, many communities,

especially smaller towns, have only informal and often unwritten guidelines that might only be passed along in an ad hoc fashion as local officeholders enter and leave municipal service. Such municipalities have a more tenuous hold on institutional knowledge and are also liable to be relatively myopic or disjointed in the pursuit of their goals. Hence, a prime objective for adopting formal, written policies is to serve as an educational tool that can foster long-term consistency and continuity in operational and budgeting practices.

Furthermore, enhanced transparency in fiscal governance can be achieved through policy adoption, and we encourage cities and towns to incorporate fiscal policy text into their budget documents and presentations. While remaining more flexible and easier to modify than bylaws and ordinances, policies should provide instructive guidance to steer officials and employees toward objectives. To assure effectiveness, city and town officials must be thoughtful and proactive in promoting policy awareness within the organization. We also recommend communities to periodically review and revise their policies to address evolving goals and circumstances.

From the financial management reviews and other municipal project work that FMRB has done over the years, the bureau has identified a minimum set of core policies we believe every city or town should adopt to manage the most significant areas of budgetary and operational risk. These are listed in the table below.

FMRB's Recommended Core Financial Policies

Fiscal Planning	Financial Operations
<ul style="list-style-type: none">▪ Capital Planning▪ Debt Management▪ Financial Reserves▪ Forecasting▪ Indirect Cost Allocation*▪ Investments▪ Other Postemployment Benefits (OPEB) Liability†	<ul style="list-style-type: none">▪ Antifraud▪ Procurement Conflict of Interest▪ Reconciliations▪ Revenue Turnover▪ Tax Enforcement

**Core policy for any community with one or more enterprise funds*

†Core policy for any community that provides insurance benefits to its retirees

FMRB has drafted 30+ policy manuals for cities and towns, each of which incorporates the above topics, as well as others desired by the client community. Any municipality that is conducting research to

create or revise a policy manual may access them [here](#).

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Contact *City & Town* with questions, comments and feedback by emailing us at cityandtown@dor.state.ma.us. To view previous editions, please [click here](#).

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