

**CITY OF CAMBRIDGE**

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June 12, 1997

The Honorable, the City Council
City Hall
Cambridge MA 02139

Dear Colleagues:

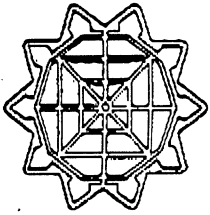
I am enclosing for your information a letter from the Massachusetts Municipal Association to the State Budget Conference Committee via Stanley Rosenberg, Chair of Senate Ways and Means. This letter outlines issues the MMA on behalf of local governments hopes the conference committee will resolve during its deliberations.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "Francis H. Duehay", is written over the typed name.

Francis H. Duehay

Board of Directors handout 6/10/97

**Massachusetts
Municipal
Association**

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(617) 426-7272 FAX (617) 695-1314

May 30, 1997

The Honorable Stanley C. Rosenberg, Chairman
Senate Committee on Ways and Means
State House, Room 212
Boston, MA 02133

Dear Chairman Rosenberg,

On behalf of the cities and towns of the commonwealth, the Massachusetts Municipal Association would like to offer to you, as a member of the Fiscal 1998 State Budget Conference Committee, our comments on budget accounts and provisions that affect local government. Both branches of the General Court have voted a budget plan for next year that honors recent state commitments on school aid and local discretionary revenues and have taken very welcome steps toward full funding of several other state obligations on the Cherry Sheet.

County Government

The MMA would also like to express its support for the provisions in the Senate budget bill to eliminate county government. The Senate plan would relieve cities and towns of paying for services that are highly inefficient and often not needed. The plan would establish a fair method for cities and towns to decide for themselves what services and costs can be provided on a regional basis. State assumption of pension costs for county employees would relieve local government of a significant financial burden. This would allow cities and towns to redirect those funds toward needed local or regional services, or to even re-establish their existing county government if they wish. The conference committee may wish to consider issues raised by legislators representing regions that have existing voter-approved county charters in place.

Lottery Distributions and Chapter 70 School Aid

There is agreement between the House and Senate on total Chapter 70 school aid [7061-0008] and Lottery distribution amounts. Cities, towns and school districts very much appreciate the state's commitment to the multi-year funding schedules for each of these important sources of revenue for schools and other local responsibilities. Both branches use the same methodology for calculating school aid and local contribution requirements for individual municipalities and school districts although the Senate uses more recent data than does the House for certain factors, such as enrollment. We support the consensus methodology for use in fiscal 1998.

Enrollment Aid/Pot Hole Account

The House included \$9.6 million in a reserve fund [7061-0017] to be distributed to "minimum aid" municipalities and districts experiencing high enrollment growth. The Senate did not include a separate "enrollment aid" account but did increase the so-called pot hole account from \$3 million to \$15 million [7061-0011]. School districts receiving only minimum aid as an increase have made a compelling case that this allocation is inadequate to maintain quality school programs. We believe that the Senate's \$15 million appropriation is necessary to address the significant need for

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assistance to a large number of cities and towns. We recommend an approach that embraces the House's \$9.6 million enrollment aid initiative and makes \$5.4 million available to municipalities through an expanded "pot hole" account to assist districts facing other formula problems, including over-reliance on the property tax.

School Building Assistance

We strongly support the Senate authorization levels for approval of school building construction projects next year of \$10.9 million for racial balance projects [7052-0003] and \$23.2 million for other projects [7052-0004]. This would more than match the fiscal 1997 authorization level and would prevent the waiting list from growing even longer.

The authorization level for racial balance projects covers all 10 of the prior year projects currently on the waiting list, but not the several projects that are expected to be submitted to the Department of Education by June 1, 1997. The Senate authorization level for non-racial balance projects would cover the first forty-nine projects on the 122 project waiting list, just enough to balance the 50 projects that are expected to be submitted by June 1.

Reimbursements for School Transportation

After level funding these accounts during the state's budget crisis in the early 1990's, the Legislature has taken modest steps to increase funding for reimbursements to regional school districts for student transportation costs. This is a very important account for regional districts and for the towns and cities that are their members. We support the House appropriation that would increase funding for the regional district account [7035-0006] by \$700,000 to \$28.6 million.

Tuition for State Wards

Both the House and Senate would fully fund the Cherry Sheet tuition for state wards program at \$16.6 million. The shortfall in state funding for this account [7061-0009] in past years has posed financial hardship for those cities, towns and school districts that host and educate children who are wards of the state. We support full funding the state's obligation under this program.

Special Education

We also support the new account included in the House budget [item 7061 0015] that would provide three-year loans to municipalities and school districts facing unanticipated special education expenses. This program would be especially helpful to small municipalities and districts that can face very difficult budget problems when a child requiring special education services moves into the district after the budget for the year has been approved.

Payments in Lieu of Taxes/State-Owned Land

Both the House and Senate would increase funding for the Payment in Lieu of Taxes/State-Owned Land account [0611-5510] and establish a schedule so that full funding would be achieved over a five-year period. We strongly support the schedule, and ask that the Senate appropriation of \$8.9 million as the first year payment be adopted as well.

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Police Incentive Pay Program

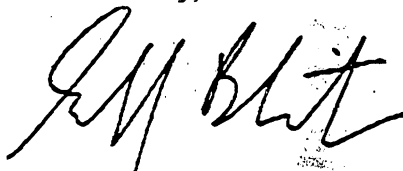
The House voted to fully fund the Police Incentive Pay Program [8000-0040] at \$17.6 million. Following several years of shortfalls in this joint state-local program, the Legislature has fully-funded its 50 percent share in most years, which has been appreciated at the local level. We support the House funding level for this account.

Municipal Incentive Grants

The MMA supports the House appropriation of \$800,000 for grants to municipalities through the Municipal Assistance Program [7004-0200]. This account provides a powerful tool for cities and towns to study and undertake more efficient ways of delivering local services, including regional approaches to service delivery.

Thank you very much for your consideration of these important municipal priorities. If there is any assistance that we might provide you as you proceed in the work of the Conference Committee, please do not hesitate to contact us at any time.

Sincerely,



Geoffrey C. Beckwith
Executive Director

GCB/jr

S-382

Communications and Reports from City
Officers #2

A communication was received from
D. Margaret Drury, City Clerk, transmitting
a letter from Councillor Francis H. Duehay
transmitting a copy of a letter from the
Massachusetts Municipal Association to
Stanley C. Rosenberg, Chair of the Senate
Committee on Ways and Means, regarding County
Government, School aid and local
Discretionary revenues.

In City Council June 16, 1997

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