



Legislative Alert

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Massachusetts Municipal Association

The Voice of Cities and Towns

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Monday, May 19, 2014

SENATE DEBATE ON FY 2015 STATE BUDGET WILL BEGIN ON WEDNESDAY, MAY 21

Lawmakers Will Decide the Fate of 948 Amendments

Please Call Your Senators Today on the Major Amendments that Impact Your Community

The Senate is scheduled to begin debate on the \$36.25 billion fiscal 2015 state budget on Wednesday, May 21. The deliberations are expected to take at least two days, as Senators have filed 948 amendments to make changes to S. 4, the Senate Ways & Means Committee's budget recommendation that was released on May 14 (a recap of the main local aid provisions in the proposed SW&M budget is at the end of this Alert).

Many of these amendments would directly impact cities and towns, including a number of welcome amendments that would increase funding for municipal and school aid accounts, and one unwelcome amendment that would have a negative impact on municipalities. This Legislative Alert describes the most important municipal amendments that will be debated.

Please contact your Senators today: It is vitally important that you call your Senators as soon as possible to secure their support for those amendments that would help your community, and ask them to oppose those amendments that would be harmful. Lawmakers must hear from you on these issues. Because of the great number of amendments, the summaries here are brief. Please contact MMA Legislative Director John Robertson at jrobertson@mma.org or 617-426-7272 x122 at any time if you have questions or need more details.

YOUR SENATORS NEED TO HEAR FROM YOU ON THESE MAJOR BUDGET AMENDMENTS IMPACTING CITIES AND TOWNS:

- **FULL FUNDING FOR CHARTER SCHOOL REIMBURSEMENTS (Support Amendment 561)**

Under state law, cities and towns that host or send students to charter schools are entitled to be reimbursed for a portion of their lost Chapter 70 aid. The state fully funded the reimbursement program in fiscal 2013, and is about to fully fund the program in fiscal 2014 through a special \$27.6 million supplemental appropriation that is heading to the Governor's desk this week. For fiscal 2015, the reimbursement account should be funded at \$113.4 million. However, the Governor's fiscal 2015 budget would only fund charter school reimbursements at \$75 million, which would guarantee a shortfall of \$38 million in fiscal 2015. The Senate budget would fund fiscal 2015 charter school reimbursements at \$80 million, which is still \$33 million below full funding.

Shortfalls in the charter school reimbursement program cause major fiscal distress in every community that has a significant charter school presence. Only a small fraction of the public school students attend charter schools. Underfunding this program would force cutbacks for the vast majority of students who remain in the traditional school setting.

Please ask your Senators to **SUPPORT AMENDMENT 561** filed by Sen. Chang-Diaz and 9 other Senators to fully fund charter school reimbursements due to cities, towns and regional school districts by providing the full \$113.4 million necessary to meet the state's obligation.

• **FULL FUNDING FOR MCKINNEY-VENTO HOMELESS STUDENT TRANSPORTATION COSTS (Support Amendment 567)**

The SW&M budget would level-fund reimbursements for the transportation of homeless students at \$7.4 million, which is \$7.5 million below the full reimbursement called for under the state's unfunded mandate law. Two years ago, the State Auditor ruled that the adoption of the federal McKinney-Vento law imposed an unfunded mandate on cities and towns. The program was funded at \$11.3 million in fiscal 2013 and cut to \$7.4 million in fiscal 2014. Level-funding the program would continue to impose a significant burden on those cities and towns that are providing transportation services to homeless children who have been placed in their communities by the state.

Please ask your Senators to **SUPPORT AMENDMENT 567** filed by Sen. Eldridge and 5 other Senators. This amendment would fully fund the \$14.9 million in reimbursements due to municipalities and school districts for the cost of transporting homeless students from temporary shelters to school.

• **INCREASE FUNDING FOR THE SHANNON ANTI-GANG GRANT PROGRAM (Support Amendment 578)**

Please ask your Senators to **SUPPORT AMENDMENT 578** filed by Sen. Donoghue and 12 other Senators to increase funding for the Shannon anti-gang grant program that provides essential funding to help cities and towns respond to and suppress gang-related activities. This amendment would add \$2.5 million and bring total funding up to \$9 million.

• **INCREASE FUNDING FOR THE SAFE AND SUCCESSFUL YOUTH INITIATIVE (Support Amendment 940)**

Please ask your Senators to **SUPPORT AMENDMENT 940**, filed by Sen. Chang-Diaz and 12 other Senators to increase funding of the Safe and Supportive Youth Initiative from \$4 million to \$9.5 million. The program seeks to reduce youth violence through wraparound services for those most likely to be victims or perpetrators of gun violence, and is vital to violence prevention efforts in dozens of communities.

• DEFEAT ATTEMPT TO UNDERMINE MUNICIPAL DECISION-MAKING AUTHORITY ON HEALTH INSURANCE (Oppose Amendment 89)

Sen. Donnelly and 4 other Senators have filed Amendment 89, which would unilaterally extend a 3-year freeze on changing retiree health insurance contribution percentages by an additional 2 years. Under existing law, any city or town that used sections 22 or 23 of Chapter 32B (the 2011 municipal health insurance reform law) to implement plan design changes or join the GIC is prohibited from changing retiree health insurance contribution percentages until July 1, 2014. Amendment 89 would unilaterally extend that freeze for two more years, until July 1, 2016, for any municipality that adopted or is planning on adopting provisions of the 2011 municipal health insurance reform. Under this amendment, any community that has used or plans on using Chapter 32B to make plan design changes or join the GIC would be prohibited from changing retiree contribution percentages unless the municipality voted to change the contribution rate prior to January 1, 2014. This proposed change would delay the ability of up to 100 communities to take action on retiree contribution percentages.

Please ask your Senators to **DEFEAT AMENDMENT 89**, which would undermine the decision-making power of cities and towns to determine health insurance contribution percentages for retirees. Municipal officials have been operating in good faith under the current law, and it is unfair and unwise to interfere with their authority to act in the best interests of local taxpayers, employees and retirees.

• MAINTAIN FUNDING FOR THE COMMUNITY PRESERVATION ACT (Support Amendment 4)

In recent years, the state's match for the Community Preservation Act has been woefully underfunded. In fiscal 2014, the state budget included a provision to use end-of-the-year surplus revenues from fiscal 2013 to boost reimbursements by \$25 million, breathing new life into the state's CPA match. The House of Representatives' fiscal 2015 budget would maintain this policy and transfer \$25 million from the "consolidated net surplus" left over from fiscal 2014 into the Community Preservation Trust Fund, but the Senate Ways and Means budget does not include this language, which means the CPA program would be significantly underfunded in fiscal 2015.

Please ask your Senators to **SUPPORT AMENDMENT 4** filed by Sen. Creem and 21 other Senators that would restore the \$25 million transfer to the Community Preservation Act Trust Fund. Because of lagging deeds excise collections, this money must be added to the CPA program. Otherwise, cities and towns that have adopted the CPA will see a much lower state match next year.

• RE-ESTABLISH THE FOUNDATION BUDGET REVIEW COMMISSION (Support Amendments 560 and 21)

The foundation budget school spending standard that guides Chapter 70 funding was first enacted as part of the landmark 1993 education reform law and has largely remained unchanged since that time. In addition to the need to adjust the foundation budget to reflect the many substantial changes that have occurred in public education over the past 20 years, the current foundation budget structure clearly understates many key education expenses, and does not fully reflect the cost of operating modern school systems, as evidenced by the fact that cities and towns spend \$2.1 billion more to run their schools than the amount called for in the foundation budget.

Please ask your Senators to **SUPPORT AMENDMENT 560** filed by Sen. Chang-Diaz and 20 other Senators and **AMENDMENT 21** filed by Sen. Tarr to re-establish the Foundation Budget Review Commission under Chapter 70 for the purpose of reviewing the way that the foundation budget is

calculated.

**Please Call Your Senators Today on the Budget Amendments that
Impact Your Community!**

**Summary of the Local Aid Highlights ALREADY Included in the Senate
Ways & Means Budget:**

- **INCREASE OF \$25M FOR UNRESTRICTED GENERAL GOVERNMENT AID (UGGA)** – the same increase passed by the House, and \$25M more than recommended by the Governor (legislative leaders in both branches have stated that UGGA and Chapter 70 funding have already been set by the local aid resolution passed in March, thus there are no viable amendments to increase the UGGA or Chapter 70 distributions);
- **INCREASE OF \$99.5M FOR CHAPTER 70** – the same level of funding passed by the House and recommended by the Governor (there are no further amendments to increase Chapter 70 aid in the Senate budget);
- **INCREASE OF \$18.7M FOR REGIONAL SCHOOL TRANSPORTATION REIMBURSEMENTS** – an impressive 36% boost that would fund this key reimbursement account at