

Finance Committee Sub-Committee February 20, 2021

Present: Susie Mosher, George Arvanitis, Ajay Khashu

Meeting opened at 9:30 am

We discussed the goal of this sub-committee: To examine the history of the Regional Assessment method to date. We hope to assemble a clear picture of how we got to our current state in FY22 and have information on elements of the assessments to present to the members of the four town's Finance committees, Select Board members, Amherst Town Council, the Regional School Committee, and officials from the APRS. We hope to have information ready by the time the proposed DESE workshop on understanding what the statutory method entails, a workshop Becky Torres is working with Mike Morris to arrange.

We noted the time consuming and corrosive nature of the current process of re-determining the assessment method each year. We hope, with information, the four towns can agree to an assessment method that will eliminate the year-to-year disagreements and uncertainty.

Susie researched archives from 2014 – 2021, excerpting references to the regional assessment methods from reports and presentations in the APRS district. She collected excerpts from the minutes in the Shutesbury Select Board and Finance Committee as well as the September 29, 2015 Shutesbury report written by Regional Assessment Summer Study Committee.

We identified the components of the Statutory Method and the effects of varied percentages used in the proposals over the past 6 years. The language for the components in the assessment equation can be confusing, especially to the many newcomers that have been on any of the aforementioned committees over the past 8 years. We want to clarify terms and bring a clearer, step by step labeled table when the four towns consider options that use different percentages of statutory with the enrollment assessment.

The statutory method has three components – the minimum contribution based on ability to pay, the capital assessment which uses EQV and the remainder is based on enrollment per town. This approach yields different per pupil costs for each town based on the principle of differing ability to pay due to the relative wealth of the towns in the district.

The original agreement was to apportion the budget costs to each town based on the number of students they enrolled. By this method the per pupil costs were the same for each town.

Both methods have incorporated a five-year, rolling average to smooth out the year-to-year fluctuations in population.

Currently the FY 21 assessment uses 45% of the statutory method with a 55% enrollment only figure. We discussed the changing effects of a 50/50%, a 55/45%, a 75/25% split and a 100% statutory method.

Shutesbury brings increased Chapter 70 funds to the region due to our relative need.

We discussed the new ripples in the enrollment factor due to charter, choice, and homeschool options.

We discussed the consequences of having any one town refuse to agree to the method or approve the budget itself. It is not a straight line to the state enforcing a completely Statutory Method only. What is

likely to happen is the costs would shift dramatically so that the budget would be cut to make it possible for all town to pay their newly apportioned shares. In the past Shutesbury's efforts have been to shift the apportionments slowly to help maintain the educational services the region provides.

We recognized that the Regional budget includes OPEB and Health Insurance costs which makes the annual increase more noticeable than in our local school budget where those costs are not included in the school budget.

We looked at a 5-year comparison of the percentage each of the four towns spends on the categories laid out in Schedule A. Each town is very consistent from year to year and the three small towns have very similar spending patterns.

We considered the effects of new revenue growth in light of the state requirement that the town must increase its minimum local contribution for education by at least this growth factor.

Our concern about Shutesbury's tax rate reaching \$25/1000 is a factor in our advocacy to include the ability to pay in the statutory method.

We have three tasks we want to work on before the next sub-committee meeting:

1. Susie will locate the Statement of Principle drawn up and signed by the four towns in 2017.
2. We will get access to the xl sheets Doug Slaughter uses to project the different statutory calculations so that George can make the presentation of the options more step-by-step.
3. Ajay will continue to draft a timeline of the history.

We hope we can get this information ready by the DESE presentation or at least before the FY 22 budget is wrapped up.

Meeting closed at 11:00 am