

# LEGISLATIVE UPDATE

To: All School Committee Members and Superintendents  
From: Stephen J. Finnegan Esq., MASC General Counsel  
Date: February 20, 2014

RE: Special Legislation Relative to Net School Spending Recommendations

## **RETIRED TEACHERS' HEALTHCARE COSTS TO BE COUNTED AS NET SCHOOL SPENDING ACCORDING TO S.1957 AND THE SENATE VERSION OF THE SUPPLEMENTAL BUDGET**

Under current law, DESE is not able to consider health costs for retired teachers to be part of net school spending for any district in which such costs were not considered part of net school spending in fiscal year 1994. The above-referenced language has been maintained in the final state budget every year since 1994.

Earlier this month, the Senate version of the supplemental budget (S.2010) was amended on February 13, 2014 to allow municipalities to count for purposes of net school spending their retired teacher health costs, as follows: Section 24: "For fiscal year 2014, the commissioner of elementary and secondary education shall begin a 4-year phase in of equal increments to include health care costs for retired teachers as part of net school spending for any district in which the costs were not considered part of net school spending in fiscal year 1994. For fiscal year 2014, 1/4 of the cost shall be included in calculating fulfillment of net school spending requirements; provided, that in districts currently in level IV or level V status under the commonwealth's accountability and assistance system the commissioner may delay or limit the inclusion of the costs in calculating net school spending until their status is lowered to level III or below, at which time the commissioner shall begin or resume a 4-year phase in of the remaining costs; and provided further, that during the 4-year phase in period authorized under this section, the commission-

er may waive penalties associated with deficiencies in net school spending requirements up to an amount that can be attributed to non-inclusion of health care costs for retired teachers if the commissioner approves a schedule submitted by the district to meet the requirements not later than at the end of the 4-year phase in period."

For some districts who currently spend substantially above net school spending the effect of this proposed change may not be so severe. However, there are a number of districts that would be significantly negatively impacted in the aggregate over the four year timetable.

Since this matter has not yet been addressed by the House, MASC strongly recommends that districts review the potential impact of Section 24 with the appropriate school administrator(s) and contact their legislators with any concerns. We note that the budgetary action, as written would, if passed, become effective in the current fiscal year.

In addition, on February 18, the Joint Committee on Education considered S.1957, which addresses the issue referred to above in the following manner: Notwithstanding any general or special law or rule or regulation to the contrary, the commissioner of elementary and secondary education shall not include deficiencies in net school spending requirements attributed to the non-inclusion of health care costs for retired teachers when calculating state school aid distribution reductions under section 11

over

of chapter 70 of the General Laws in fiscal year 2014.

MASC submitted testimony at the above-referenced hearing opposing S.1957, in part, because it establishes a legislative mandate (as would S.2010) where heretofore this particular issue was a local option matter in FY94. MASC recommends as a threshold matter that any change to existing law must be by the election of the local

legislative authority, which is the entity in your municipality that ultimately approves budgets.

Please also contact your legislators concerning S.1957. You may find the most recent figures we have on this matter and the affected districts on the MASC website [www.masc.org](http://www.masc.org).

Time is of the essence.

**SAVE THE DATE: TUESDAY, APRIL 29**

## **DAY ON THE HILL**

**KEEPING THE LIGHTS ON FOR STUDENT ACHIEVEMENT**

### **PROGRAM**

- Meet your Legislators
  - Issues Analysis
- Communications Strategies: Bringing the Message Home
  - Vocational schools Luncheon Buffet

**8:45am-3:00pm**

The State House, Boston

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## **ADVOCACY SATURDAY**

Saturday, April 12 • Tantasqua Reg. High School, Fiskdale • 9:00am-12:30pm

### **PROGRAM**

(AN OPPORTUNITY TO JUMP-START YOUR SKILLS BEFORE DAY ON THE HILL!)

- How to Lobby
- Advocacy Strategies that Really Work
  - Key Positions, Key Talking Points
- Issues Forum with Guest Legislators

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