

To: Newburyport City Council
From: Education Committee Members
Re: Acts of 1987
Date: February XX, 2021

The Education Committee has reviewed the implications around Chapter 329 of the Acts of 1987 in order to assess whether or not adoption would benefit the residents of the City of Newburyport. Based upon the language from Chapter 329 of the Acts of 1987, if adopted, *"a city council may, by two-thirds vote, increase the amount recommended by the mayor for the city school department or regional school district assessment provided that (1) the city or regional school committee has recommended the increase, and (2) the increase does not make the total budget exceed the property tax limitations imposed in G.L. c. 59, § 21C, i.e., does not result in a budget that cannot be funded within the city's Proposition 21/2 levy limit."*

In order to fully understand the implications of this adoption and how it would be applied in practice, the following steps and questions were explored.

Step 1: School committee would need to vote and recommend an increase greater than that recommended by the mayor. This recommendation would be provided to the council in a form of a memorandum.

- When does School Committee vote on budget?
- Would this just need to be a majority vote of School Committee?
- How would the SC determine what percent to propose to and where on the school side of the budget process would it be apparent on how that money will be spent?

Step 2: The City Council would receive this memorandum into the city council packet with a sponsor from the city council who would also create this as an Order. This memorandum would be referred to the Budget & Finance (B&F) committee.

- Would this need to be re-introduced as an order by the City Council for a vote since it needs 2/3 approval of council?
- Can the Education committee meet to discuss the memorandum and identify a sponsor for an Order?

Step 3: The B&F Committee would need to determine if the recommended increase would not result in exceeding the tax levy limit of 2 ½.

- Can we amend the order to be different than what the SC has recommended?
- If the increase does not exceed the tax levy limit of 2 ½ then we do NOT need to find other places in the city's budget to reduce to get to the % increase recommended.
- Budget hearing for schools timing versus when this order is before the council may be helpful in the deliberation process.

Step 4: The City Council will vote on the order for approval by 2/3 vote.

- Is this done at the same time as we deliberate on the budget?
- If the budget is done at the full levy amount, the council would need to remove from other line items in order to not exceed the levy of 2 ½.

References

- DLS, Bureau of Municipal Finance Law, March 2019 “City Budget Process Frequently Asked Questions” - <https://www.mass.gov/doc/city-budget-process-faqs/download>

“A city council cannot increase any amount recommended by the mayor in the annual budget on its own initiative, with one exception that only applies in cities that have accepted it. G.L. c. 44, § 32; Section 2 of Chapter 329 of the Acts of 1987. If that option has been accepted, a city council may, by two-thirds vote, increase the amount recommended by the mayor for the city school department or regional school district assessment provided that (1) the city or regional school committee has recommended the increase, and (2) the increase does not make the total budget exceed the property tax limitations imposed in G.L. c. 59, § 21C, i.e., does not result in a budget that cannot be funded within the city’s Proposition 2 ½ levy limit. That means the city council must reduce other items in the mayor’s budget by the amount of the increased school items unless the mayor agreed that the overall budget, as increased, can be funded within the levy limit.”

- Informational Guidelines Release No. 88-213 Subject: School Appropriations in Cities: Increases in Mayors’ Budget Request (Chapter 329 Acts of 1987, Amending G.L. Ch. 44 S. 32).
https://www.cityofnewburyport.com/sites/g/files/vyhlf3521/f/events/igr88_213.pdf

Chapter. 329 will only be effective if it is accepted by the council with the approval of the mayor, or of the city manager in cities with a Plan D or E form of government. If the mayor’s recommended budget would require the city to tax up to its limit under Proposition 2 ½, the council would have to make cuts in other appropriations equal to the contemplated increases in the school appropriation in order for those increases to be valid.