

ARTICLE 16 – REGIONAL SCHOOL DISTRICT AGREEMENT

The purpose of this article is to complete a two-year transition from an outdated method of calculating assessments to the four towns of the Amherst-Pelham Regional School District to the method stated in the regional agreement. Some background information may help clarify the reasons for the change.

Each year the Amherst-Pelham Regional School Committee develops an operating budget and assesses each of the member towns for its share of the cost. Each town's assessment is presented to its town meeting for approval. With approval of the assessment, the town either explicitly or implicitly approve the budget presented with the assessment. Once three of the four towns have approved their assessments, the budget is adopted and all four towns are required to pay.

From the formation of the Region more than 50 years ago until the state's Education Reform Act took effect in 1993, all operating costs of the Region were assessed to the individual towns in proportion to the number of students from each town attending the Regional Schools. This was part of the agreement that established the Region. Basing assessments on enrollment meant that the per pupil cost of funding the Region's operations was the same for every town.

In 1988, the agreement was amended to change the way enrollment was counted, from the actual annual count to a five-year rolling average of enrollment. The reason for this change was to prevent sharp ups and downs in the assessments of the smaller towns that resulted from a few students coming or going. These events sometimes caused great difficulty for the towns in managing their overall budgets.

Education Reform introduced a complex formula for calculating a minimum contribution each municipality had to pay in support of schools and for determining the amount of Chapter 70 school aid the Region would receive to be credited against each town's assessment. The minimum contributions and Chapter 70 aid determined how part of the total amount of money to support the budget was assessed to the towns. The remainder of the money was assessed to individual towns according to the Regional Agreement per pupil standard.

As a result of this two-stage computation, some towns paid significantly more in taxation for each student than did others. This difference was intentional; it furthered the Education Reform Act goal of taking account of individual municipalities' ability to pay and equalizing effort for financial support of education throughout the Commonwealth. (This is one of two goals stated in the Act. The other is to provide an "adequate" education for all children in the Commonwealth.) In the case of the Amherst-Pelham Region, Amherst paid considerably less in taxation per pupil than the other three towns under the state's formula.

For several years, the towns were required to follow the state's method of calculation. When the state's FY 2004 figures for Chapter 70 aid and minimum contributions were

applied to the Region's budget proposal, the result was large and widely differing increases in assessments. Two of the towns expected to hold Proposition 2 1/2 override elections that year, and officials from those towns said it would be difficult to explain to their voters why their per pupil tax support and rate of increase in assessment would be higher than Amherst's. The need for overrides threatened to create a situation in which the Regional Schools' budget might not be adopted without unacceptable consequences for the quality of education. By this time, the state allowed regional school districts to use an assessment formula different from the state's if the towns agreed to it unanimously.

Using a different formula seemed attractive to the Amherst-Pelham Region because the Department of Education formula no longer served its purpose very well. The underlying statistics used in the computations had never been updated, and repeated tinkering in small ways distorted the results. Furthermore, the formula as designed caused many perverse effects when applied to regional school districts (as opposed to single town districts). Officials of the four towns held multiple meetings to figure out what to do. In the end, Amherst proposed raising each town's assessment by the same percentage for one year only. This provided a simple, easily understood means for coping with a difficult situation. All four town meetings voted to approve this temporary solution, which provided the towns time to work out a long-term agreement. The towns approved and used this "equal percent increase" method in FY 04 and FY 05 and in slightly altered form in FY 06.

In the fall of 2005, a Regional Assessment Task Force began meeting at the request of the Regional School Committee. The Task Force was made up of two representatives of each of the four towns plus two from the Regional School Committee. Their purpose was to recommend a method of calculating assessments that was fair, simple and easy to explain. The group concluded that returning to the Regional Agreement's per pupil method made the most sense. The Task Force, recognizing the challenge for Amherst in funding the change from one method to the other, proposed a two-year transition. Leverett and Shutesbury offered to provide an extra \$62,000 each in FY 2007, providing \$124,000 in transition funding directly benefiting Amherst.

The May 1, 2006, Amherst Annual Town Meeting gave its implied agreement to the arrangement by approving the amendment to the agreement and appropriating the required assessment amount. The current Annual Town Meeting is being asked to complete the change in assessment method by approving Article 16. Doing so will result in Amherst catching up to the level of its per pupil obligation and it will commit Amherst to paying the assessment required for the budget already approved by Pelham, Leverett and Shutesbury.

Submitted by Alice Carlozzi, Chair, Finance Committee