



NON-APPROPRIATED EXPENSES

This category includes mandated assessments and expenditures, which are automatically added to the tax rate without appropriation. Overall, non-appropriated expenses are anticipated to decrease \$197,479 (4.3%) for FY2014. The total projected State Assessments for FY2014 is \$3,072,843, an increase of \$83,160 from FY2013. The MBTA accounts for \$2,746,280 of this total and is increasing 1%. The remaining Non-Appropriated expenses include Cherry Sheet Offsets, Court Judgments and Deficits, and Tax Abatement Overlay. These items total \$1,687,179, which is a decrease of \$226,970 from FY2013.

Non-Appropriated Expenses	FY2012 Actual	FY2013 Actual (Recap)	FY2014 Budget	Budget Change
State Assessments				
MBTA	2,515,239	2,716,789	2,746,280	29,491
RMV Non-Renewal Surcharge	52,060	47,600	51,480	3,880
Air Pollution Districts	13,415	13,969	14,843	874
Metropolitan Area Planning Council (MAPC)	12,695	13,497	13,835	338
Special Education Charge	-	-	587	587
Charter School tuition	252,662	197,828	245,818	47,990
State Assessments Sub-total	2,846,071	2,989,683	3,072,843	83,160
Cherry Sheet Offsets	62,085	61,138	60,566	(572)
Tax Abatement Overlay	808,924	1,454,204	600,000	(854,204)
Court Judgments & Deficits	621,741	125,863	700,000	574,137
Total	4,338,821	4,630,888	4,433,409	(197,479)

***MBTA***

The MBTA is composed of 175 communities: the 14 original member communities of the Metropolitan Transit Authority (MTA), and 161 additional communities, which are receiving direct MBTA service. Chapter 161A of the Acts of 2000 increased the number of communities that constitute the MBTA from 78 to 175. The additional 97 communities have been receiving MBTA service; however, the original authorizing language made no provision for these communities to be assessed. The Authority is required to assess each community's share of the overall Authority's assessments. All communities associated with the Authority must contribute to the MBTA State and Local Assistance Fund an amount not less than \$136,026,868. After FY2006, this amount was adjusted each July 1 by the rate of inflation, but not more than 102.5% of the previous year's assessment. Each community's MBTA assessment shall equal its weighted share of the total population of the authority. Chapter 161A, Section 9 has determined the weights for each community. The population figures utilized in this calculation should be the most recent from the United States Census Bureau. Assessments are also weighted by the level of service within each community.

For FY2014, the Town's assessment will increase \$29,491 or 1%. The increase is substantially less than the 8% increase incurred in FY13.

PARKING FINE REGISTRY SURCHARGE

If after proper notices, a motorist fails to pay a parking fine, motor vehicle excise tax, or a charge for abandonment of a motor vehicle, the Town notifies the Registry of Motor Vehicles (RMV) not to renew the license and registration of that motorist. To cover the RMV's administrative costs of entering the necessary information into its computer system, the RMV assesses the Town a fee of \$20 for each notification it receives. This fee, which comes through as a charge on the Cherry Sheet, is recovered by the Town by adding this amount and other penalties to the original fine amount. The FY2014 surcharge assessment is estimated at \$51,480, an increase of \$3,880.

AIR POLLUTION CONTROL DISTRICT

General Laws Chapter 11, Section 142B, requires that communities be assessed for a portion of the costs incurred by the State Department of Environmental Protection (DEP) to monitor air pollution levels and enforce air quality standards at industrial, commercial, and institutional facilities. Expenditures made for such purposes are assessed against the metropolitan communities, one-half in proportion to the EQV's and one-half by the population of each community. Costs for FY2014 are estimated at \$14,843, an increase of \$874.

METROPOLITAN AREA PLANNING COUNCIL

The basic purpose of the Council is to coordinate and assist communities in their planning efforts, particularly for those activities or projects that may have a regional impact. The per capita assessment for FY2014 is estimated at \$13,835, an increase of \$338 over FY2013.



CHARTER SCHOOL TUITION

The purpose of this program is to assess the sending municipality or regional school district for pupils attending charter schools. Charter school tuition charges are assessed against the sending district and paid to the charter school district. Charter Schools receive per-pupil payments from sending districts equal to the average cost per student in that district, plus a capital funding share equal to the state average of what districts pay per pupil in principal and interest for land and buildings. Cherry Sheet assessments for the upcoming fiscal year are based on pre-enrollment data from October of the current fiscal year. Final assessments are based upon March 15 figures. The tuition assessment for FY2014 is estimated on the preliminary Cherry Sheet at \$245,818 an increase of \$47,990 from FY2013.

CHERRY SHEET OFFSETS

Included in the estimated amount of aid to be received from the state are grant funds for the Schools and Libraries. These funds are reserved for direct expenditure by the departments and cannot be counted as general available revenues. Consequently, as part of the tax rate preparation process, whatever amount is included within the State aid estimate is also included in the non-appropriated expenses section as offsetting debits.

The Town receives two such grants annually – one for school lunch, and one for public libraries.

The school lunch grant is actually a partial reimbursement for operating a school lunch program. This is expected to be funded at \$18,819.

The library grant actually includes three grant programs more fully described in the revenue section of this budget under Cherry Sheet Offsets. It is projected to decrease slightly to a total of \$41,747.



TAX ABATEMENT OVERLAY

State law requires that the Assessors put aside funds from each tax levy in a reserve that is called an Overlay. This account is established in anticipation that a certain percentage of the tax levy may end up being abated. Individual tax abatements are paid out of this fund. The final amount of the overlay account is determined by the Assessors and added to the tax rate without appropriation, and is usually set at anywhere from 1% to 2.5% of the tax levy. In revaluation years, which occur every three years, the overlay account is usually set at a higher amount in anticipation of an increased number of abatements. In other years, the overlay is set closer to \$600,000. For FY2014, which is not a revaluation year, the overlay will be set at \$600,000. Any surplus left in an overlay account is appropriated by Town Meeting in much the same manner as free cash. Below is a chart showing the disposition of Overlay funds for the last three years, showing a total remaining balance of approximately \$627,891. Prior to FY2010, the reserve balance from all prior fiscal years is \$126,985. Adding all these balances amounts to just over \$754,876. From these reserve balances, \$200,000 is proposed to be declared surplus and be used in FY2014.

Tax Abatement Overlay Funds

	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>
Overlay Amount	\$1,153,427	\$670,331	\$808,924
Abatements & Exemptions To-Date	(\$512,346)	(\$466,664)	(\$265,781)
Declared Surplus To General Fund	<u>(\$580,000)</u>	<u>(80,000)</u>	<u>(\$100,000)</u>
Available Balance	\$61,081	\$123,667	\$443,143

COURT JUDGMENTS, DEFICITS, AND OTHER

State law provides that if the Town receives a court judgment requiring the payment of funds, the Treasurer, with the Director of Account's approval, may pay the award from the treasury without appropriation. The amount must then be added to the tax rate for the following year unless a subsequent appropriation is made to cover the deficit prior to setting the next year's tax rate.

From time to time, there are other non-appropriated expenses which have to be added to the tax rate. Any deficits in revenue, overlay, pensions, or debt and interest accounts, along with tax title amounts, and snow and ice budgets, must be added to the following year's tax rate. In addition, as a result of a special act of the legislature, any tax revenue from the Symmes project is debited here as a reserve to pay down the debt for the Symmes project. Once the debt is paid off, the taxes associated with the project will go into the general fund like all other property taxes.

In FY2013, the total of these items was \$125,863. For FY2014, an allowance of \$700,000 has been made for any such judgments, deficits, or Symmes taxes.