

A BRIEF SUMMARY OF THE RATIONALE BEHIND THE PROPOSED AMENDMENT TO THE REGIONAL AGREEMENT ASSESSMENT FORMULA

The Southern Berkshire Regional School District's (SBRSD) Regional Agreement determines the method that SBRSD uses to determine each member town's share of the annual assessments on the school budget. Towns have raised concerns about the unpredictable peaks and valleys that can occur in any given year using our current assessment method. Sharp swings from year to year in a town's assessment cause significant challenges in budgeting for the upcoming year.

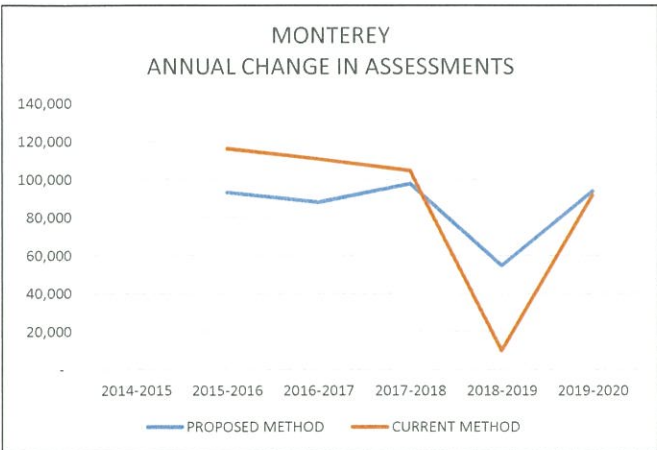
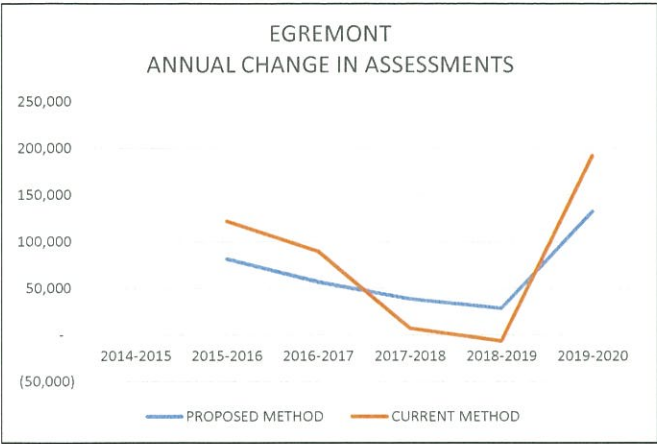
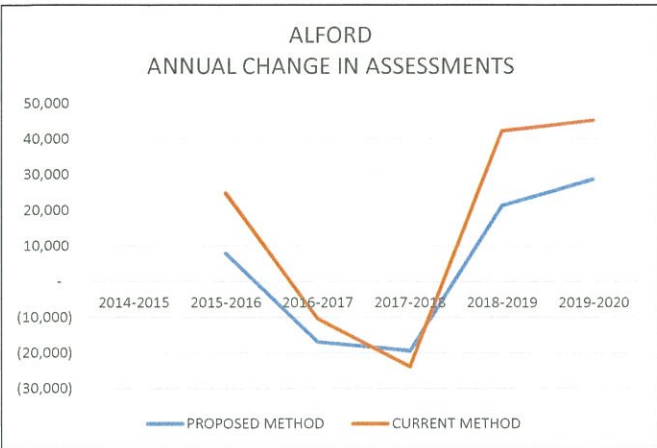
In May 2018, a committee formed to review various assessment formula options, with the main goal of finding a method that would provide more predictability and less volatility in the annual assessments. Committee membership includes one Select Board member and one Finance Committee member from each member town. Over the course of this last year, the Committee analyzed a multitude of options. The method that the Committee has chosen to recommend to the towns will be put to a vote at Town Meetings this May. The entire amendment language is included in each town's Annual Town Meeting Warrant.

Each year, the Massachusetts Department of Secondary and Elementary Education (DESE) calculates the proportionate share that each member town shares of the "Required Minimum Contribution". This calculation is based on the complex "Chapter 70" formula for state aid to schools. SBRSD's current agreement uses this pre-determined proportionate share to assess each town for its share of the minimum required by the state *and* for all amounts above that minimum.

The proposed amendment would break the assessment out into two calculations. The first calculation (on the required minimum) would continue to be based on DESE's pre-determined proportionate share for the current budget year. All amounts above the required minimum would be calculated by using the five-year average of each town's required minimum contributions for the current budget year and the four years prior.

The result of approving this method would be a leveling of the annual change in assessment shares from one year to the next. The following charts illustrate this impact. The golden line shows the five most recent annual changes in assessments that have occurred for each town, using the current method. The blue line shows what the annual changes would have been had SBRSD been using the proposed method. The annual changes under the proposed method are less drastic/less sharp over this five-year period.

All five towns must approve of the amendment in order for the proposed assessment method to be put into effect. Informational meetings about the proposed amendment are scheduled at the Monterey Town Hall (April 26th, 7:00 p.m.), in the TACPAC on the SBRSD campus (April 29th at 7:00) and at the New Marlborough Town Hall (April 30th at 7:00 p.m.) All member town residents are invited to attend any of these sessions.



ANNUAL CHANGE IN ASSESSMENTS

