State Aid Review Task Force

Charge for the State Aid Review Task Force:
The Task Force will study recommendations from the State Aid Review Committee regarding the Waiver process and the MAR calculation. Both require additional input from the library community, more focused research on current program elements, and a closer analysis of relevant data before a final determination about possible changes can be presented to the Board.

Meeting #3
November 17, 2016
Shrewsbury Public Library
10:00 AM – 12:30 PM
AGENDA

Welcome and Introductions
Introductions and review of purpose
Norms for the meeting
Recording thoughts accurately is important- please speak up
Large and small group discussions
Participate= we need your thoughts on these very important topics for State Aid Program
Everyone coming from a personal experience/local perspective but we need a big picture focus for the program

Charge for the State Aid Review Task Force
See above- there was a previous review for the whole program; changes were made; this task force will look at the two topics that needed further consideration
Will look at the 3 issues we discussed at the last meeting;

Recap of 10/20/16 meeting
Looked at the waiver process at last meeting; first meeting was the MAR calculation; last time started working on the waiver program;
notes of last meeting sent
We will be looking at developing a definition of a “fiscal hardship”, will look at what a disproportionate cut is/should be
Waivers….how long - how many times – GF-how many waivers are issued each year?
LB- Accommodations will wait until January so that we have an exact number of the accommodations needed (hours/materials)
LibGuide Demonstration

Definition of Municipal Fiscal Hardship- (valid or potential arguments)
Handout=MGL ch 78 sections 19a and 19b

Table 1-a number of factors
Local aid cut by the state-unilateral cuts
Recession-unilateral cut
Loss of grant revenue
All cuts would have to be unilateral
Environmental causes-floods hurricanes

Table 2-Loss of revenue to the muni-
Large business closes
Loss of tax revenue
Use of stabilization or one time revenue use
Municipality has numerous capital projects ongoing-debt (can the muni support coasts)
Tax override for the schools; no funds for other purposes
Contractual obligations
Muni mismanagement
Formula for funding for schools mis stated
Changes in state funding priorities (Social Services)

Discussion: Tax overrides pass/fail
Projects within the tax levy
Towns-citizen petitions/open town meeting
Type of government involved is an issue

Table 3:
Define what a financial hardship is:
It is not: political change
Not philosophical by town lib has less value
It is not contract costs
Not declining traditional stats
Not capital expend
Not post cost
Not fiscal management decisions
It is: Major loss of business
Loss of value of real estate
Loss of local aid through recession
Catastrophic loss
Flood storms blizzards
Legal costs

Discussion: Across the board cuts
This is where the Commission comes in
Nancy: guidelines; hard look at statute; mentions hardship but
does not define
Hardship = school lunch program
Library’s turn to be cut
Receivership= exempted
Fiscal hardship-outside of the activity; externally driven in some
sense; e.g. regional school systems
? re: other states; LB no other state has a program like ours-look
at the lib guides

DISCUSSION: Further discussion on topic 1

Muni hardship def.
1. Major loss of muni income – internal/external
2. Natural disasters - external
3. Overall major local aid budget cut - external
4. Major recession – external
5. Education costs/regional formulas, etc. vocational schools – ext
6. Receivership

Definition of a Disproportionate Cut
Handout= waiver packet and last year’s spreadsheet
What determines a disproportionate cut? What difference between
waiver and waiver with reservation? What happens next? Are there
requirements?
Locally it makes it easier to discuss budget next year
FM-highlight the issues-attention/pressure/screening
Reality check/ TMs not used to have to justifying
Pattern of increase but not meeting
5% disproportionate cut helps local budgets; is working;
fluctuates
Further discussion
Policy regulation
Consider the lowering the percentage to 3%  
Waivers year after year after year

How many (consecutive?) years may a municipality apply for and receive a waiver?

- Absolute number of years?
- If not absolute number of years, what criteria would be used?

Table 3:
Answer 1: Limit to 5 consecutive years (clock resets) clock starts at some date in the future
BUT
Answer 2: Preferred option - Not absolute # of years - criteria % change has to be 3.5% over 3 year period greater or = to 3.5 % (gaining ground)
Assumption: you would need to be in waiver status the 3 years

Table 2:
Leave it up to MBLC but 3-5 years – 5 year maximum and then no more waivers; when you first go on a waiver, must create a plan and then must revisit the Board to explain progress; start with the waivers with reservation; there needs to be some accountability; some reporting; forces action whereas applying year after year does not

Table 1:
After 3 years of consecutive waivers, year 4 you have to come before the board with a restoration plan that brings you back to the MAR; if in year 4, you are not back up to the MAR you are not certified.

GS- outliers.....resentment?

New waiver process-not wiping the slate clean but starting a new process

LibGuide

Wrap-up and Work for Next Meeting