

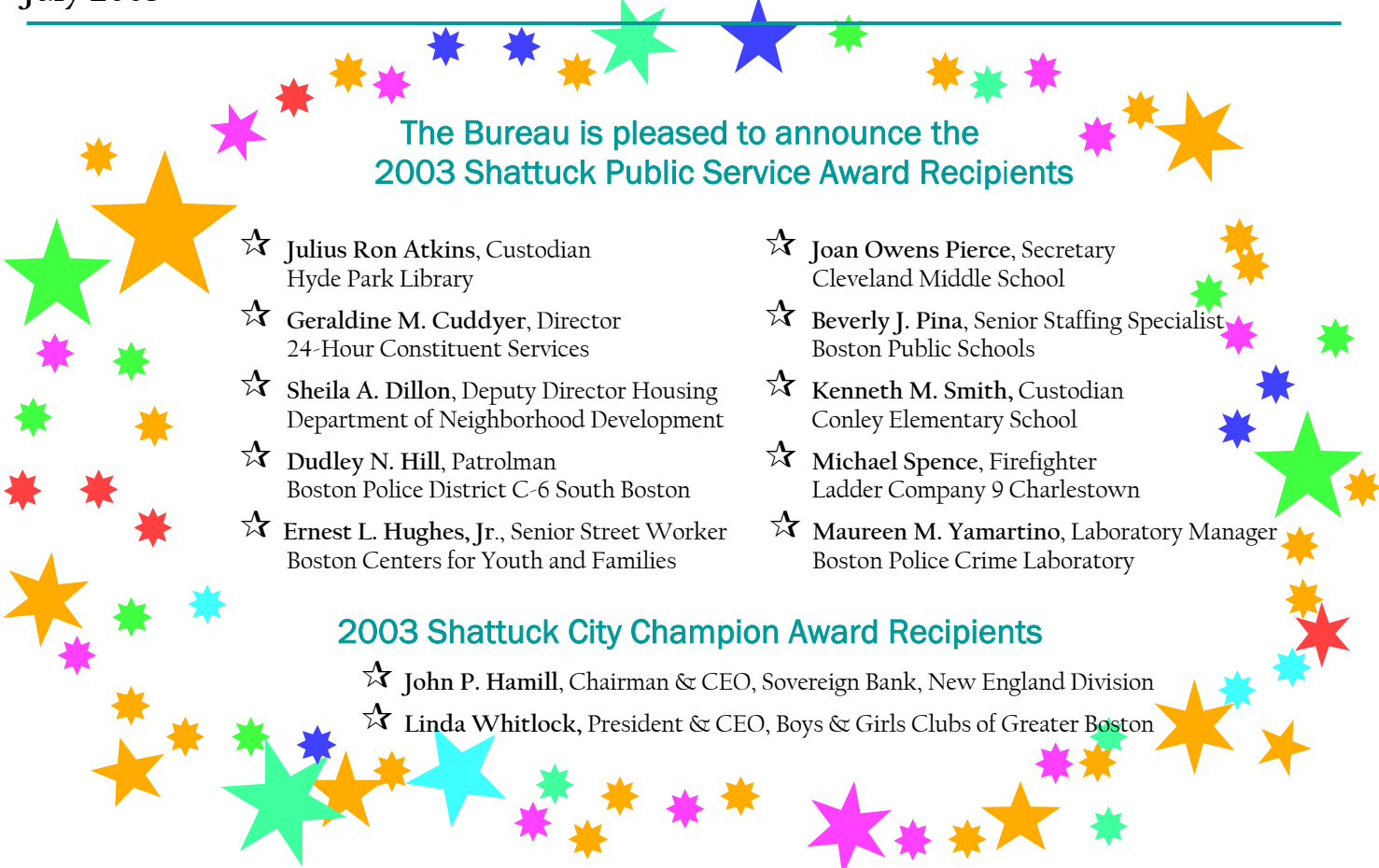
Bureau Update

Boston Municipal Research Bureau, Inc

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The Bureau is pleased to announce the 2003 Shattuck Public Service Award Recipients

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- ☆ Julius Ron Atkins, Custodian
Hyde Park Library
 - ☆ Geraldine M. Cuddyer, Director
24-Hour Constituent Services
 - ☆ Sheila A. Dillon, Deputy Director Housing
Department of Neighborhood Development
 - ☆ Dudley N. Hill, Patrolman
Boston Police District C-6 South Boston
 - ☆ Ernest L. Hughes, Jr., Senior Street Worker
Boston Centers for Youth and Families
 - ☆ Joan Owens Pierce, Secretary
Cleveland Middle School
 - ☆ Beverly J. Pina, Senior Staffing Specialist
Boston Public Schools
 - ☆ Kenneth M. Smith, Custodian
Conley Elementary School
 - ☆ Michael Spence, Firefighter
Ladder Company 9 Charlestown
 - ☆ Maureen M. Yamartino, Laboratory Manager
Boston Police Crime Laboratory

2003 Shattuck City Champion Award Recipients

- ☆ John P. Hamill, Chairman & CEO, Sovereign Bank, New England Division
- ☆ Linda Whitlock, President & CEO, Boys & Girls Clubs of Greater Boston

NEW PILOT SCHOOLS

Four schools have completed successful applications to become pilot schools. All four were given planning grants by The Boston Foundation to study the feasibility of converting. The upcoming school year will be a transition year, and the schools will embrace pilot status officially in school year 2004-05. Also, four other schools that received grants will be considering conversion to pilot status later this year.

Converting Schools:

- Another Course to College
- Lee Elementary
- Mason Elementary
- North Zone Early Learning Center

BOSTON'S BUDGET BEGINS ANEW

Boston's FY04 budget was approved by the City Council on June 26th in the amount of \$1.81B, a decrease of \$18.5M or 1% from FY03. The City will absorb the decrease by reducing some services and making about 842 layoffs, mostly in the School Department. The City also will use \$25M in reserves to balance the budget. State aid cuts had the biggest impact on revenues, down \$39.8M or 8.0% since FY03, and down \$83.7M or 15.5% since FY02. The key spending issue going forward in FY04 is collective bargaining, given that most city employee contracts have expired and must be re-negotiated.

FY04 SERVICE CUTS:

- The School Department will have to cut back support services in individual schools, and reduce MCAS tutoring system-wide.
- There will be some delays in park maintenance and cleaning.
- The Fall and Spring cleanup program will be limited.
- Fewer summer jobs will be available for city youth.
- The City Hall Registry will be closed on Wednesdays.
- The BPL will buy fewer new books.

MUNICIPAL RELIEF

The municipal relief bill, expected to be signed by the Governor shortly, was disappointing to municipal officials who had expected more significant help, such as new local option taxes, to help mitigate local aid cuts. Instead, the bill authorizes increases in certain fees and fines and limited regulatory relief. Of relevance to Boston are provisions that:

- Eliminate the requirement that Boston raise 5-6% of its net levy for the overlay reserve for abatements.
- Authorize Boston to raise its towing fee from \$12 to the state maximum of \$75.
- Remove the tax exemption for lessees of municipally owned parking facilities.
- Authorize payroll schedules to be adjusted from weekly to bi-weekly, subject to collective bargaining negotiation.
- Increase the surcharge on leased vehicles from \$0.30 to \$0.60 per transaction.

A District Improvement Financing plan to promote private development is included and could be beneficial if selectively used. Final wording has not been resolved. Preliminary estimates indicate that \$12M could be available to Boston in FY04 as a result of the bill, primarily due to the overlay change.

STILL THE ONE



Boston is still the highest-ranking city in the U.S. for National Institutes of Health (NIH) grant awards in 2001 according to an April 2003 report by the Boston Redevelopment Authority. In

2001, Boston received 3,269 awards totaling \$1.2B. New York City ranked second at \$1.1B, followed by San Diego at \$755M. Boston's leadership position is attributable to its world-renowned tax-exempt colleges/universities and medical schools. In many cases, the NIH grants are partially or fully matched by other grants, expanding their financial impact and making the institutions a major driver of Boston's economy. The top ten recipients in NIH funding in Boston in 2001 were 7 hospitals/medical centers and 3 universities. Harvard University was the top recipient at \$235.8M, followed by Mass General at \$208.9M and Brigham and Women's at \$177.6M. The Longwood Medical Area (LMA) brought in a total of \$484M. If LMA were considered a city, it would rank 8th in the nation in NIH funding. To help increase Boston's pace of health care and biotechnology research, new research facilities are being planned with 4.1M sq. ft. now in the pipeline. That compares with almost 2.0M sq. ft. built from 1991 to 2000.

TEACHER LAYOFFS

The BPS teacher staffing process has become extremely complex this year since officials are trying to minimize the final number of permanent teachers laid off. Currently, there are 194 permanent BTU members, both teachers and support professionals, who have received layoff notices. The department is administering its annual staffing process now, during which teachers can apply to transfer to available positions in other schools. During the next phase of the process, officials will attempt to match all unassigned teachers, including those who have already received layoff notices, with one of the roughly 650 open positions in the system. Any laid off teacher whose certification does not match with an available position will then be placed on the final layoff list. BPS officials have estimated that the final list could contain as few as 34 permanent teachers, but that total depends on the School Department's application of its \$27.1M restoration, which is expected by September.

The BPS also has released 690 provisional teachers from their positions. These are teachers who had not received tenure and to whom the BPS owed no contractual obligation for next year. It is probable that after the staffing process is completed, there will still be vacancies, especially in critical subject areas like Special Education and Math. At that point, BPS officials will hire provisionals to fill those vacancies after they exhaust options for placing permanent teachers. This process is expected to continue throughout the summer and into the beginning of the new school year.

BIDFA: BONDS FOR JOBS

The Boston Industrial Development Financing Authority (BIDFA), an arm of the EDIC, helps Boston businesses access several types of tax-exempt development bonds. Any company that seeks BIDFA financing must show that the project will retain or create jobs in Boston. BIDFA issues tax-exempt bonds on behalf of a qualified project. BIDFA bonds offer an interest rate lower than conventional loans, attracting businesses to stay or expand in Boston. The credit of the borrower, and not the City, is pledged to repay the bonds. Primarily manufacturing, industrial, cultural, educational and non-profit businesses and organizations apply for BIDFA bonds to finance capital projects such as equipment acquisition or facility construction.

To receive BIDFA financing, an applicant must receive approval from the BIDFA Board and the City Council. Approximately 4-7 bonds are issued annually. Past BIDFA bond recipients include Legal Seafood, Jet-A-Way Corp., JFK Family Services Center, New Boston Seafood Center and Winthrop Printing Company.