



The Research Bureau

Questions for the 2013 Candidates for City Council and School Committee in Worcester

Report 13-08
October 2013

Worcester City Government Overview¹

Worcester is governed by a Council-Manager form of government with a popularly elected Mayor, also known as a modified Plan E form of government. The City Council is the City's legislative policy-making body and the City Manager, who is the City's chief executive officer, oversees the day-to-day operations of the City.

The City Council is composed of 11 members - six elected city-wide, or at-large, and five elected from districts. The Mayor is a councilor who must win an at-large council seat and receive the most votes in the mayoral race which occurs at the same time. The Mayor has the same powers as other Councilors. In addition, he serves as the ceremonial head of the government and chairs both the Council and the School Committee meetings.

The City Council hires the City Manager and can remove him by a majority vote. In addition to running the day-to-day operations of the City, the Manager appoints all City department heads. He oversees the fiscal health of the City and presents the Council with a balanced budget annually that they must discuss and approve by June 30th of each year. The City Council has the authority to reduce the City Manager's proposed budget, but not increase it. The approved budget must be balanced.

The School Committee consists of the Mayor and six members who are elected at-large. The School Committee sets district-wide school policies, votes on the district budget, and hires and fires the school superintendent.

The members of the Council and School Committee are elected in biennial elections that take place in odd numbered years.

Questions for City Council Candidates

Economic Development

- Should Worcester move toward a single tax rate for residential and commercial properties?
- Should the City use tax incentives to stimulate economic development?
- Should the City support the building of an access road to Worcester Regional Airport?
- Should the State reimburse Worcester a greater percentage than currently for its non-taxable properties?
- Do you support PILOT programs for the City's largest non-taxable entities?

Administrative and Fiscal Policy

- Do you envision any challenges to enforcing the City's Five-Point Financial Plan?
- How should Worcester address its OPEB liability?
- Should Worcester tap into its \$10 million excess tax-levy capacity which means raising taxes? If so, how should the additional revenues be used?

Questions for Mayoral Candidates

- How do you understand the Mayor's responsibilities?
- What will be your priorities as Mayor?
- What should be the proper relationship between the City Council and the School Committee?
- How would you, as the only elected official to sit on both bodies, facilitate communication and information between the City Council and School Committee?

Questions for School Committee Candidates

Education Policy

- How can the Worcester Public Schools improve student achievement? What should be the School Committee's role in monitoring underperforming schools?
- How do you think Worcester should meet the needs of academically gifted students?
- Would you support an International Baccalaureate (IB) program in Worcester's high schools?

Administrative and Fiscal Policy

- Should principals have more authority over hiring and firing staff? If yes, are you willing to work to alter the contract with the teachers' union accordingly?
- What should be the criteria for evaluating and compensating teachers?
- How should WPS promote the exchange of ideas and best practices with Worcester's three charter schools?
- How should the School Committee support the Superintendent's priorities? Will you vote to renew the Superintendent's contract in 2015?
- Do you support privatization of some of the school district's non-core services?

Questions for City Council Candidates

Economic Development

Should Worcester move toward a single tax rate for residential and commercial properties?

Massachusetts General Laws Chapter 59 allows cities and towns to tax residential properties and commercial and industrial properties at different rates. This allows communities to shift some of the tax burden from homeowners to businesses. In Massachusetts 110, or 31.3% of municipalities, including Worcester, tax commercial and industrial properties at a higher rate than residential properties.

Worcester has had a “split” tax rate since FY84 when the “split” was first allowed by State law. Currently, Worcester’s residential tax rate is \$18.58 per \$1000 of valuation, while the business rate is \$30.85 per \$1000 of valuation. Many have argued that Worcester’s dual tax rate is unfair to local business owners and places Worcester at a competitive disadvantage relative to neighboring communities. Although the original justification for maintaining a high commercial rate was to keep residential rates low, Worcester has the second-highest residential tax rate among contiguous communities. Worcester also has the highest commercial tax rate of neighboring communities- almost three times as high as that of Shrewsbury.

Community	Residential Tax Rate 2013	Commercial Industrial Tax Rate 2013
Auburn	16.7	23.43
Boylston	17.2	17.2
Grafton	15.55	15.55
Holden	17.37	17.37
Leicester	13.62	13.62
Millbury	16.48	16.48
Paxton	19.22	19.22
Shrewsbury	11.67	11.67
West Boylston	17.45	17.45
Worcester	18.58	30.85

Source: Massachusetts Department of Revenue

Should the City use tax incentives to stimulate economic development?

In recent years, Worcester has used tax incentives as part of its economic development strategy. The most common tax incentive is tax-increment financing, or TIF. With a TIF, the City agrees to waive a portion of the increase in property taxes that accrues as a result of new investment (either new construction or improvements) to an existing

property. A TIF also makes the developer automatically eligible for a state investment tax credit of up to 10% of the value of its capital investment.

Since 2010, the City has negotiated seven new TIF agreements. The latest TIF was granted in September 2013 to a company developing a rest home facility. Proponents of TIF agreements argue that the agreements make possible projects that would never otherwise have been undertaken given the City’s high overall tax rate.

Opponents question the effectiveness of these agreements in attracting businesses. The owner of one of the businesses granted a TIF stated that he would have expanded his business in Worcester with or without the tax agreement.² These agreements also raise the issue of fairness where some businesses are granted TIF’s and others are not. Critics argue that instead of using TIF’s in order to increase business investment, the City should consider adopting a single tax rate thus lowering taxes for all businesses.

Businesses Granted TIF's since July 2010
Beechwood
Unum
180 Main Street Associates, LLC
50 Prescott Street, LLC
VHS Acquisition Subsidiary # 7, Inc. d/b/a Saint Vincent Hospital
Magmotor Technologies, Inc.
KMRN Investment, LLC

Source: City Manager's Office, Worcester, MA

Should the City support the building of an access road to Worcester Regional Airport?

In accordance with the framework established by the Comprehensive Transportation Reform Act of June, 2009, Massport purchased Worcester Airport from the City in 2010.³ Since 1999, Massport had been operating and investing in the airport and had assumed a significant share of the Airport’s fiscal deficit.

Commercial air service at Worcester Regional Airport reached a peak of 180,000 enplanements in 1989. In 2010 there were about 16,000. Over the decades, Worcester has lost market share to the Providence and Manchester airports. These airports have experienced tremendous growth in recent decades. In 2010, there were 1.4 million enplanements at Manchester and 2 million at Providence.

With the announcement by Jet Blue Airlines that it will commence two daily flights in and out of the Worcester airport in November 2013, the City is hopeful that Worcester Airport will once again be a viable commercial airport and will become a tool for economic development in the Worcester region.⁴

Although Worcester no longer owns the Airport, it remains an important stakeholder in all the decisions about the Airport's future. Airports inevitably generate controversy in nearby communities due to their size, expense, and noise.⁵ Worcester Airport lacks many features typically associated with a major commercial air service provider, such as additional runways, longer runways, and a covered parking garage. However, many public and private sector observers believe that the biggest factor affecting the future growth of Worcester Airport is the lack of an access road between the airport and main highways. The decline in Worcester's commercial and industrial base means that passengers will have to come from the surrounding region. Without an access road, it may be difficult for the airport to reach the level of service it achieved in the late 1980's. While the City will not be paying for an access road, its role as a major stakeholder affected by such a project means that the Worcester City Council would play a crucial role in the road's design and route. In fact the road is unlikely to be built without active support from the City Council, which, thus far, has not been forthcoming.

Should the State reimburse Worcester a greater percentage than it currently does for the City's non-taxable properties?

Currently, 28 % of Worcester land is not taxable. Of that amount, 52% is owned by the City of Worcester, the US Government, and the Commonwealth of Massachusetts and 48% by non-profit institutions such as hospitals, colleges, and museums.

At present, the Commonwealth makes a small payment to Worcester to compensate the City for State-owned, non-taxable property. The State does not reimburse the City for the value of buildings on State property.

Should the Commonwealth develop a new reimbursement formula for cities and towns that host hospitals, colleges, museums, State parks and other non-taxable entities? These institutions benefit the population of the entire region not just the hosting cities and towns. Suburbs benefit from being located next to cities that host these institutions and the proximity to those facilities helps drive higher real estate values. Would you meet with the region's legislative delegation to urge that it promote such a change in the reimbursement formula?

Do you support PILOT programs for the City's largest non-taxable entities?

As previously noted, 28% of Worcester's land is non-taxable. Of that amount, 48% is owned by nonprofit organizations such as churches, colleges, social service facilities, and hospitals which are exempt from property taxes. The nonprofit institutions argue that they provide social, cultural, and economic value to the City that compensate for taxes the City would have received from them. Recently, however, the City administration has negotiated payments-in-lieu of taxes, or PILOTS, with some of the colleges for park improvements and maintenance, and library improvements. Do you think there should be an established formula (as in Boston) for PILOTS or should the City Manager continue to make these requests from nonprofits on an ad hoc basis?

Current Pilot Agreements				
Institution	Date Effective	Duration	Contribution	Beneficiary
MCPHS University	November, 2008	25 years	20% of assessed value of properties - Increasing by 2.5% per year	Worcester Public Libraries
WPI	July, 2009	25 years	Annual payment \$270,000 - Increasing by 2.5% per year	Worcester Public Libraries
	July, 2009	One-time payment	\$50,000	Institute Park
UMassMedical	March, 2013	5 years	Annual payments of \$32,000	Unrestricted
Clark University	September, 2010	20 years	Annual payment \$262,000 - Increasing by 2.5% per year	Worcester Public Libraries and enhancing Main South and Crystal Park
Holy Cross	May, 2012	5 years	Annual payments of \$80,000.	Mobile Library

Source: City Manager's Office, Worcester, MA

Administrative and Fiscal Policy

Do you envision any challenges to enforcing the City's Five-Point Financial Plan?

In November of 2006, the Worcester City Council approved the City Manager's "Five-Year Financial Forecasting Model and Fiscal Policies". The elements of this document now referred to as the "Five-Point Financial Plan" or "The Plan," is used by the Manager and the Council to help guide financial planning for the City. The Plan is based on five basic guiding principles:

- Five-year forecasting and long-term planning of City finances and projects;
- Strengthening of reserves, including creation of a Bond Rating Stabilization Fund;
- Quarterly financial reporting;
- Cap on borrowing (can be adjusted for inflation). The cap is currently set at \$24.9 million annually.
- Capital Improvement Plan to achieve debt-service stability in the budget.

In addition to helping the City achieve financial stability, The Plan has also helped Worcester with its bond rating. In its 2007 report on the City's finances, Fitch, the bond rating agency, cited the Plan approvingly: "During fiscal 2007, the city took prudent steps in adopting a five-point plan to respond to fiscal pressures and to institutionalize reserve policies."⁶ Standard and Poor's also cited the financial plan as a contributor to Worcester's fiscal strength. The bond rating agencies will continue to be interested in Worcester's adherence to its financial plan.⁷

Under a revision to The Plan, the Manager now makes an annual payment to the OPEB (Other Post-Employment Benefits) trust fund. In FY14, the Manager had budgeted an additional payment to the fund but was unable to do so because of shortfalls in other areas of the budget.

How should Worcester address its OPEB liability?⁸

One of the greatest fiscal challenges facing the city of Worcester is funding its OPEB responsibilities. OPEB consists of all the benefits the City has promised its retirees other than pensions. These benefits include health insurance coverage, life insurance, dental and vision coverage, and long-term care policies. For decades, Worcester, like many other municipalities, has covered the current cost of these benefits out of its yearly operating budget. The total OPEB liability for current and future retirees is \$656 million. This number will continue to grow as health care costs increase and average life expectancy grows (increasing number of years these benefits must be paid). The problem will be exacerbated if the municipal tax base shrinks. Nationwide it is estimated that the sum owed municipal retirees exceeds \$1 trillion.⁹ The Chapter 9 bankruptcies of Central Falls, RI, and Stockton, CA, among others, were blamed on declining revenues combined with the crippling amount of pensions and retiree benefits.

In Worcester, if the current rate of growth is unchecked, OPEB costs will consume a third of the City's budget by 2020. The City Manager and the City Council have begun to address this problem by negotiating changes to existing health plans that require current employees and retirees to pay a greater portion of the premiums, increasing employee contributions from 10 to 25 percent, and raising co-pays and deductibles. The City also required all eligible retirees to move from the City plan to Medicare, while it continues to pay for what Medicare does not cover.

In addition to reforms already enacted, the City Manager has the authority to negotiate a reduction in the portion of premiums the City pays for retiree benefits to 50 percent. This is the minimum allowed by law. (Worcester can currently negotiate this change but will not be able to do so, if and when the Governor's proposed OPEB reform legislation is enacted.)

If the Governor's proposed reforms are approved by the state legislature, the City Manager will also have authority to negotiate other changes that would assist the City in managing its OPEB liability. These reforms include the following:

- Increasing the years of service required for employees to qualify for health benefits in retirement.
- Pro-rating the level of coverage based on length of service and the number of hours worked per week.
- Increasing the minimum age at which employees become eligible for health benefits in retirement.

Would you ask the City's legislative delegation to support the Governor's OPEB reforms?

Should Worcester tap into its \$10 million excess tax-levy capacity which means raising taxes? If so, how should the additional revenues be used?

The City has built up a \$10 million excess tax-levy capacity over a number of years by not taxing to the Prop 2 ½ limit. The City initially had \$12 million excess tax capacity but in FY11, the City Council voted to draw down the excess by \$2 million. In FY11, the City used that \$2 million to balance the budget, but beginning in FY12, it was dedicated to a new capital program to improve streets and sidewalks.

If the City Council decided to access some or all of the \$10 million, it could do so by a majority vote of the City Council. No override of the Proposition 2 ½ limit by the voters would be needed. A \$10 million increase would raise the residential tax rate from \$18.58 to \$19.36 and the average tax bill by \$147.00, or a 4.2% increase.¹⁰

If these revenues were raised, for what purpose should they be used? Should the new revenue go toward OPEB liabilities or for additional police officers, or teachers as requested by the WPS? Are there important capital expenditures that have been neglected?

Questions for Mayoral Candidates

The mayoral candidates should be asked all the questions for the City Council and School Committee since the mayor serves as Chair for both bodies. In addition, the Mayoral candidates should be asked the following questions:

- **How do you understand the Mayor’s responsibilities?**
- **What will be your priorities as Mayor?**
- **What should be the relationship between the City Council and the School Committee?**
- **How would you, as the only elected official to sit on both bodies, facilitate communication and information between the two bodies?**

Under council-manager government, the powers of the Mayor are sharply circumscribed. The City’s Charter (Article II, Section 2-2 (c), “Powers and Duties of the Mayor”) enumerates the primary rights and duties of the Mayor as follows:

1. The Mayor shall be recognized as the official head of the City for all ceremonial purposes;
2. He/she shall be Chair of the City Council. The Mayor shall have no power of veto but shall have the same powers of the City Council to vote upon all measures coming before it;
3. The Mayor shall serve as chair of the School Committee. He/she shall have no power of veto but shall have the same powers as any other member of the School Committee to vote upon all measures coming before it.

Although the Mayor has no more formal authority or power than any other Council or School Committee member, the Mayor can set the agenda and tone for City government

since he or she is the only elected official to sit on both the Council and the School Committee. The Mayor can also use his position as the ceremonial head of the city to draw attention to particular issues and bring people together to work on those issues.

Questions for School Committee Candidates

Education Policy

How can the Worcester Public Schools improve student achievement? What should be the School Committee's role in monitoring underperforming schools?

Improving student achievement is the primary and most difficult job for the Worcester Public Schools. Worcester faces many of the same challenges as other urban districts that are struggling to improve student performance on all the measures by which districts are judged. Currently, Worcester's average MCAS scores are below the State average in every grade and subject. The district also trails the State's average in terms of the graduation rate (below State average) and the dropout rate (above the State average).

Worcester has recently started a program to improve attendance rates. When a student is absent it not only negatively impacts that student's ability to achieve, but that of all other students in the class, since the teacher must take time to help students who have been absent to catch up on class instruction and work.¹¹

Until recently, Worcester had three Level Four schools, designated as such because of their long-term underperformance on MCAS. In order to exit this status, schools on the list must execute a state-approved turnaround plan, improve their MCAS scores, and provide evidence that the school can sustain that improvement. After reviewing the results of an on-site visit that occurred in February 2013, the State determined that Union Hill Elementary School had met the criteria necessary to be removed from the Level Four list, leaving Chandler Elementary Community School and Burncoat Street Preparatory School on the list.

When the Massachusetts Department of Education's on-site review teams visited Worcester's Level Four schools, they looked for effective leadership, a curriculum aligned with standards, effective instruction that includes higher order thinking, consistent and meaningful student assessment, tiered instruction¹² with adequate learning time, professional development for teachers and staff, sound financial management, and a student support system that addresses students' social, emotional and health needs. The team also assessed whether the WPS had established support systems for the Level Four schools.

How can the School Committee ensure that all schools are meeting and exceeding the criteria used by the on-site teams? What district-wide systems should be put in place to improve student achievement?

How do you think Worcester should meet the needs of academically gifted students?

Educators argue that as a nation, we are obliged to provide all youngsters with the education that would best develop their capacities. Yet for many years, the U.S. has focused almost exclusively on improving the academic level of the lowest-performing students. The achievements of the nation's brightest students, as measured on standardized tests, barely fall in the middle of where international students score. The data indicate a need to raise the ceiling of academic expectations and achievement. To combat the tendencies toward mediocrity, it is necessary to invest in high-potential students to enable them to become future leaders and innovators.

One of the ways to address the needs of academically gifted students is to establish an exam school in a district. Proponents of this idea argue that exam schools concentrate a critical mass of serious students in an environment of academic rigor and a culture of high expectations. In order to provide broad access, an exam could be one component of the admissions process. It could also include an interview, an essay and teacher recommendations. Once enrolled in a demanding and competitive program, students would be provided with the support necessary to succeed. Academically selective high schools provide a public-sector option for bright students from low-income families who cannot afford private school tuition. They also encourage middle-class families to remain in a city and utilize the public education system rather than move to the suburbs or opt for private schools. They are considered a magnet for economic development and talent recruitment. Such schools are viewed as a community asset by parents, employers, colleges, businesses, and real estate agents. They may also lead to partnerships with businesses and colleges that bring additional resources to the school.

Opponents of exam schools argue that exam schools are elitist and incompatible with democratic mores. Public schools, they contend, should not choose their students; they should be open to all. Exam schools cream the brightest students from other high schools in the district, leaving the students remaining in the latter schools without role models needed to generate an academically challenging and inspiring environment. Opponents also argue that there is considerable cost to opening new schools and maintaining them.

What is your position on an academically selective high school in Worcester?

Would you support an International Baccalaureate (IB) program in Worcester's high schools?

The IB program is an internationally known and recognized program that consists of an integrated and rigorous curriculum comprising courses in languages, social studies, experimental sciences, mathematics, and the arts. Students take IB classes in their junior and senior years of high school. Their final projects are sent to outside graders in order to maintain the integrity of the assessment system. Students who achieve the necessary grades in their classes and final projects are awarded an IB diploma. Many colleges waive the requirement of introductory college courses for students who have received an IB diploma, which may help students save money on college classes and place them farther along in their college career.

A school that wants to implement an IB program must commit to ongoing professional development programs which are taught by trained IB staff as well as participate in a regular review process using standards and practices that apply to all IB schools.

IB is potentially accessible to all high school students since students who are not taking the full IB program can still take one or two IB classes. In addition, the IB program can be introduced into any established school and could be used in all of Worcester's high schools. The adoption of this program benefits all WPS students since the district must review its entire K-12 curriculum to ensure that it is rigorous enough for students to qualify and succeed in IB.

Should principals have more authority over hiring and firing staff? If yes, are you willing to work to alter the contract with the teachers' union accordingly?

In hiring for open positions in the WPS, high priority is given to internal candidates with seniority. Firing is even more complicated due to an arbitration process that teachers have the right to invoke when supervisors seek to dismiss them. In contrast, the principal of the University Park Campus School (UPCS), which consists of grades 7 through 12, has considerable authority over all staff decisions, both hiring and firing. UPCS is an "innovation school with the autonomy to hire staff both from within the system and from outside without the constraints of the current bidding process."¹³ UPCS regularly posts some of the highest MCAS scores in the City, with scores higher than the State average. Some observers attribute the school's success and its culture of high expectations to the principal's leadership and authority over staffing decisions.

What should be the criteria for evaluating and compensating teachers?

Teacher compensation is currently based on years of service and advanced degrees and credits. However, this could soon change. The Massachusetts Department of Elementary and Secondary Education (DESE) is reforming the teacher evaluation process because of new laws and regulations. It has developed the "The Massachusetts Model System for Educator Evaluation." School districts throughout the State are required to adopt or adapt this model to their district, or revise their current system of evaluation to meet the standards set out in the model.

The State model uses three measures for teacher evaluation:

- Three Categories of Evidence to assess educator performance. The regulations describe multiple measures of student learning, growth, and achievement, including classroom assessments, district-determined measures comparable across grade or subject district-wide, and state-wide growth measures where available, including the MCAS, Student Growth Percentile (SGP), and Massachusetts English Proficiency gain scores (MEPA);
- Judgments based on observation and artifacts of professional practice, including unannounced observations of practice of any duration.
- Additional evidence relevant to one or more Performance Standards (603 CMR 35.07(1)). Starting in 2013-14, student feedback will have to be used as a source of evidence when evaluating teachers and administrators, and staff feedback will have to be used when evaluating administrators.

The Worcester School Committee and administration have developed a new model for evaluating WPS teachers. The new evaluation is currently being reviewed by the attorneys for WPS and must then be negotiated with the EAW for inclusion in the next contract.

What criteria would you include in the new teacher evaluation?

How should WPS promote the exchange of ideas and best practices with Worcester’s three charter schools?

Charter schools were authorized by the Massachusetts Education Reform Act of 1993. These schools are independent public schools that operate under a five-year charter granted by the Commonwealth's Board of Elementary and Secondary Education (BESE). According to the DESE, “charter schools have the ability to organize around a particular mission, curriculum, theme, or teaching method. They control their own budgets and (hire and fire) teachers and staff.” A charter school undergoes a State review every five years. If the charter school fails to fulfill its charter and show improvements in student performance, it risks losing its charter and being closed by BESE.

In part, charter schools were established to "stimulate the development of innovative programs within public education" and to provide "models for replication in other public schools." ¹⁴ Recently, the Mayor’s committee studying programs for academically talented students visited public, private, and charter schools to observe programs designed for such students. The Committee members visited the Abby Kelley Foster Public Charter High School in Worcester to observe its implementation of the IB program.

Administrative and Fiscal Policy

How should the School Committee support the Superintendent’s priorities?

Article Four of Worcester’s city charter states that the “Powers and Duties” of the School Committee include:

- to take general charge of all public schools in the City;
- to appoint a superintendent of the schools who shall be charged with the day-to-day administration of the school system, subject to policy directives adopted by the school committee;
- to make all reasonable rules and regulations consistent with general law, for the management of the school department.

What should be the criteria for renewing the Superintendent’s contract in 2015?

Melinda Boone, the current superintendent was hired in 2009. Her contract is up for its second renewal in June 2015. The School Committee’s current goals for the Superintendent, as outlined in the Superintendent’s mid-cycle formative assessment report, are:

1. 100% of students guaranteed a rigorous core curriculum resulting in measurable gains in student learning. Focus on the percent of students proficient in reading, ELA and math. Focus on the percent of students successfully completing high school coursework that prepares graduates for college and career readiness.

2. Increase student academic achievement through instructional strategies resulting in high levels of student performance.
3. Implement and monitor strategies to ensure welcoming safe and secure learning environments in all Worcester Public Schools.
4. Strengthen communications through strategies to transfer information of effective practices and needs among all stakeholders.¹⁵

Is there anything you would add or change in the Superintendent's goals?

What is your current assessment of the Superintendent's job in meeting these goals?

Do you support contracting with vendors for some of the school district's non-core services?

Three years ago, the WPS contracted three functions of its facilities department (painting, masonry, and technology infrastructure) with outside vendors affecting 10 positions. Other non-core functions that could be done by private vendors are cafeteria, custodial, and bus services.

Currently, Worcester employs 150 custodians. In addition to the potential savings over salary costs, the City would save money in overtime, which in FY14 is expected to be \$1.261 million. The City would also realize savings in the long term by reducing the number of pensions and OPEB costs the City would accrue for these workers.

Potential Salary Savings from Privatizing WPS Custodial Services	
Number of Custodial Staff	150
Average WPS Custodial Salary	\$41,730
Total Salary Costs	\$6,385,071
Mean Annual Wage for Custodians for Area Labor Markets	\$30,550
Total Potential Salary Costs at mean annual wage for area	\$4,582,500
Potential Savings	\$1,802,571

Source: WPS FY14 Budget

In the area of food services and child nutrition, the district employs 227 workers. The salary and health insurance cost for these workers is \$4.9 million. In addition to savings in salaries and current health insurance costs, hiring private contractors to run the food programs would save the City money future pension and OPEB costs for the full time positions.

Another area of potential savings is transportation. The City contracts most of its bus services to a private vendor at a cost of \$11.7 million. However, the City operates some of the special-education buses and spends \$3.3 on bus maintenance and salaries. Again, using outside vendors will produce savings in health care costs and future pension obligations.

Total Transportation Budget (in millions)	FY13
Regular Transportation - Contracted Services	6.1
Special Education - Contracted Services	5.7
Special Education - WPS Operations	3.3
Total Transportation Spending	15.3

Source: Finance & Operations Division, City of Worcester

ENDNOTES

¹ To learn more about Worcester City Government, see worcesterma.gov.

² Tax Breaks And Paybacks: TIFs Cost Towns, Yet They Embrace Long-Term Values, <http://www.wbjournal.com/article/20120917/PRINTEDITION/309139980/tax-breaks-and-paybacks-tifs-cost-towns-yet-they-embrace-long-term-values>.

³ For more details, see “Worcester Regional Airport Positioned for Take-Off,” Worcester Regional Research Bureau, Report 10-03, June 1, 2010.

⁴ JetBlue delivers flights (and Smiles) to Worcester Airport, <http://www.telegram.com/article/20130403/NEWS/130409914/1116>

⁵ See David Luberoff and Alan Altschuler, *Mega-Projects: The Changing Politics of Urban Public Investment*, Brookings Institution Press, 2003.

⁶ Fitch Ratings, Worcester Massachusetts, April 27, 2007, <http://fitchratings.com>.

⁷ Standard & Poor’s, Worcester Massachusetts, April 2, 2007, <http://www.standardandpoors.com>.

⁸ For more information on OPEB, see “A Prescription for Retiree Health Care; How Worcester can vanquish its OPEB liability while keeping its workforce happy and healthy,” Worcester Regional Research Bureau, Report 13-03, April 2013.

⁹ “Iceberg Ahead: The Hidden Cost of Public-Sector Health Benefits in New York” Empire Center for New York State Policy, Manhattan Institute for Policy Research, 2012. <http://www.empirecenter.org/Special-Reports/2010/10/icebergahead101310.cfm>

¹⁰ Information from the City Manager’s office.

¹¹ Linda Bock, “Worcester schools aim to reduce chronic absenteeism,” Telegram and Gazette, August 28, 2013, <http://www.telegram.com/article/20130827/NEWS/308279613/1116>

¹² Tiered instruction uses a variety of teaching methods related to the nature and severity of a student’s learning disabilities. <http://www.rtinetwork.org/essential/tieredinstruction/tiered-instruction-and-intervention-rti-model>.

¹³ <http://www.mass.gov/edu/docs/innovation-schools/prospectus/20110510-university-park.pdf>

¹⁴ “Charter Schools Best Practices,” <http://www.doe.mass.edu/charter/bestpractices/>

¹⁵ “Formative Assessment, Delivering on High Expectations and Outstanding Achievement, Superintendent Melinda Boone, Mid-Cycle Report, July 25, 2013, <http://worcesterschools.org/modules/cms/pages.phtml?pageid=288555>



The Research Bureau

PRESENTS

OPEB (Other Post-Employment Benefits): How Cities Can Keep Commitments to Public Employees Without Declaring Bankruptcy

Speakers:

**Henry Dormitzer, Chairman
Massachusetts Commission to Study OPEB**

**Dean Mead, Research Manager
Government Accounting Standards Board (GASB)**

**Daniel Morgado, Shrewsbury Town Manager
Member, Massachusetts Commission to study OPEB**

Moderator:

Michael V. O'Brien, Worcester City Manager

**Wednesday, November 6, 2013
7:45-9:15 a.m.**

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The Research Bureau

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