



The Research Bureau

Municipal Elections in Worcester 2009: Questions for the Candidates

Report 09-06
September 24, 2009

I. Questions for the Candidates for City Council

Do you support phasing in a single tax rate? Massachusetts General Laws Chapter 59 allows cities and towns to tax residential and commercial and industrial properties at different rates. In practice, this enables communities to shift much of the tax burden from residential property owners to commercial and industrial property owners. Worcester has had a “split” tax rate since FY84. Currently, the City taxes commercial property owners at a rate more than twice the rate of residential property owners: \$28.72 vs. \$13.50 per \$1,000 valuation. Worcester’s FY09 commercial and industrial tax

FY09 Tax Rates in Nearby Communities			
	Residential		Commercial
Shrewsbury	\$9.68	Shrewsbury	\$9.68
Grafton	\$10.83	Grafton	\$10.83
Hudson	\$11.34	Berlin	\$11.66
Berlin	\$11.66	Upton	\$12.43
Upton	\$12.43	Harvard	\$13.43
Milford	\$12.53	Holden	\$13.64
Marlborough	\$12.76	Northborough	\$13.76
Harvard	\$13.43	Ashland	\$13.86
Worcester	\$13.50	Southborough	\$14.16
Holden	\$13.64	Boxborough	\$14.84
Northborough	\$13.76	Hopkinton	\$15.03
Ashland	\$13.86	Westborough	\$15.50
Southborough	\$14.16	Bolton	\$15.91
Boxborough	\$14.84	Milford	\$21.72
Hopkinton	\$15.03	Hudson	\$22.49
Westborough	\$15.50	Marlborough	\$23.72
Bolton	\$15.91	Worcester	\$28.72
<i>Source: Massachusetts Department of Revenue</i>			

rate was the seventh-highest in the Commonwealth. 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’s residential taxes have continued to increase every year and the residential tax rate is generally higher than that of several neighboring communities with single tax rates.

It is sometimes argued that Worcester’s high commercial tax rate is relatively unimportant to businesses, or that it is outweighed by Worcester’s convenient central location and well-educated workforce. This claim is belied by the fact that the value of Worcester’s tax base has decreased from 35% commercial and industrial in FY84 to 19% in FY09. Moreover, the Massachusetts High Technology Council, in its annual “MassTrack” ratings of the attractiveness of communities in the Commonwealth to high tech businesses, ranked Worcester 240th out of 351 cities and towns. The Council noted that an important reason for this low ranking was the City’s split tax rate and the high differential between the two rates. (Shrewsbury and Grafton were ranked numbers two and four, respectively.)

Another problem with Worcester’s high commercial and industrial tax rate is that it has led the City to rely on tax incentive programs such as tax-increment financing (TIF) in order to attract new businesses. Tax incentives not only compound the unfairness of the City’s tax policy towards businesses by giving an unfair advantage to new businesses over old ones, they don’t even serve the purpose for which they were intended. The TIF was originally intended to help close the cost differential between locating in an economically depressed area and in a newer, undeveloped one. In practice, however, virtually any community in the Commonwealth has been able to utilize TIF’s, regardless of how truly economically depressed it is. Adopting a single tax rate and thus lowering property taxes for *all* city business owners would be fairer and would

lessen the need for tax incentives altogether. And the ultimate result may be to attract more taxpaying businesses to the City, thus lowering tax rates for homeowners as well as businesses.

Should Worcester tap into its \$12 million “excess” tax levy capacity? Worcester is currently \$12 million below its tax levy limit. According to the Department of Revenue, only Marlborough (\$12.6 million) and Cambridge (\$92.6 million) have greater excess levy capacities. Accessing these tax revenues would not require a Proposition 2 ½ override, but a simple majority vote by the City Council. However, the tax increase would occur at a time when many residents and businesses are already suffering from the effects of the national economic downturn.

If you favor spending all or part of the \$12 million untaxed levy, how should it be used? More specifically, should it be put towards offsetting cuts in core services such as public safety and public education, or towards capital expenditures that the City might otherwise have to put on hold, such as fixing its streets and sidewalks?

Should Worcester join the Group Insurance Commission? Providing health insurance for municipal employees is Worcester’s second-largest expense (\$62.2 million) after education (\$213.3 million, less \$39.2 million for health insurance for WPS employees). Some communities in the Commonwealth have attempted to manage the high and rising cost of municipal-employee health insurance by joining the Group Insurance Commission, the state health insurance pool. Due to the size of its pool and because the GIC does not have to enter into collective bargaining for “plan design,” it has managed to control the rising cost of health insurance better than municipalities have done. According to the Department of Revenue, between FY02 and FY08, health insurance costs for Worcester increased by 94%, but only by 65% for the GIC. The conditions for joining the GIC are adoption of coalition bargaining and then 70% approval for entry by a Public Employee Committee, consisting of representatives from all the City’s bargaining units. The coalition bargaining process would force the City to break with its practice of negotiating all elements of municipal employee health insurance through collective bargaining, thus treating all aspects of plan design and contribution rates as part of a total compensation package. Membership in the GIC would mean that contribution rates would be determined by coalition bargaining and plan design would be determined by the state. In the past year, proposals have been put before the state Legislature that would grant plan design authority to municipalities, and thus reverse the double standard between how they and the state manage employee health insurance. However, these proposals have not advanced towards passage.

Do you support the use of civilian flaggers on construction sites? In 2008, the state adopted legislation providing for the use of civilian flaggers to direct traffic on public construction projects on state roads that are considered to have low traffic volume at low speeds. However, local collective bargaining contracts in most municipalities, including Worcester, still require off-duty police officers to do this work on projects on local roads. The average wage for flaggers nationwide is \$21 per hour compared to off-duty police officers in Worcester who get \$40 per hour. Renegotiating this provision in the City’s contract with the police unions is the first step towards achieving savings for both the City and the taxpayer. The next step would be to separate

the responsibilities for directing traffic from that of actual public construction, which requires paying prevailing wage (generally union wages). The City could do this by applying for an exemption from prevailing-wage laws for flaggers. Reducing the high cost of labor on public construction projects would not only save taxpayer money, it would also reduce other costs for residents. Private utility companies are also required to pay for police details at all of their worksites and those costs are factored into the bills for ratepayers.

How should Worcester respond to the loss of state funding for the Quinn Bill? The Police Career Incentive Pay Program, better known as the “Quinn Bill” (MGL Ch. 41, s. 108L), grants uniformed police personnel automatic, annual increases in their base salary of 10%, 20% and 25% for holding associate, bachelor’s, and master’s or law degrees, respectively. It is a local option enacted by the state Legislature in 1970 and adopted by the Worcester City Council in 1987. The state traditionally has paid for half the cost of this program, but there is no legal requirement for it to do so, and Quinn Bill aid has always been subject to appropriation. In FY10, the state cut back its contribution from \$2.8 million to \$400,000. This means that the City is responsible for almost the whole cost of the \$5.6 million program. The City Manager has recently stressed the need to revise Worcester’s Quinn Bill program, since it is too expensive for the City to fund on its own and the state can no longer be counted on for assistance. (The state has closed the program for all new officers as of July 1, 2009.) Moreover, the benefits disbursed under the Quinn Bill are disproportionate to the sort of educational incentives available to other public employees such as firefighters, as well as workers in the private sector. Scaling back the Quinn Bill program would require rescinding the original local option (as is the City’s right for any previously exercised local option-MGL Ch. 4, s. 4B), and collective bargaining with the local police unions.

Should Worcester rescind its Responsible Employer Ordinance? Worcester’s City Council adopted a Responsible Employer Ordinance (REO) in 1996. This imposes requirements on all bidders on large “vertical” (buildings, not roads) public construction projects in the City, in addition to those already imposed by state law. The REO requires that general contractor bidders on projects above \$100,000, as well as all sub-contractors on jobs above \$25,000, participate in a “bona fide” apprenticeship training program, meaning one certified by the state’s Division of Apprenticeship Training. It is significantly easier for a unionized contractor to fulfill this requirement than a non-union contractor. A unionized contractor can participate in an apprenticeship training program simply by being a signatory to an agreement with a local trade union, because part of the collectively-bargained wages go towards union-run training programs. Non-union contractors, by contrast, must bear all the burden of running such a program themselves. As a result, Worcester’s REO makes it difficult for non-union contractors to bid on public projects. More than 80% of the construction industry in Massachusetts is non-union. The REO thus excludes most construction workers from the opportunity to work on public projects, and restricts the pool of potential bidders on large public construction projects. Fewer bidders means higher costs.

Do you support the City Manager’s approach of developing partnerships with local colleges and universities instead of a PILOT program? Worcester’s nine colleges and universities enroll 30,000 students, produce 14,700 jobs and spend \$125 million in the City annually,

according to the Colleges of Worcester Consortium. The strength of Worcester's higher education sector, along with its health care sector, has enabled Worcester to withstand the process of deindustrialization better than many other older industrial cities. The colleges and universities also contribute to the community through many partnerships with local high schools and non-profit organizations. But because the colleges and universities do not pay property taxes, there has been debate over whether they should contribute to the City in a more direct way, such as through a "payment in lieu of taxes" or PILOT program. The City Manager's practice has been to negotiate in-kind partnerships and financial arrangements for specific projects between the City and the colleges, as opposed to the colleges simply making cash contributions into the City's General Fund.

What municipal services/functions should be regionalized to reduce costs and/or increase efficiency? As a result of the current crisis in public finance, there has been increased discussion of regionalization as a way to preserve services and provide them at a lower cost. One example is municipal public health departments. (Worcester has had to drastically reduce its public health department in FY10.) Governor Patrick's "Municipal Partnership Act II," filed earlier this year, contains provisions that would enable regionalization of the property-tax assessment function and facilitate regionalization by freeing municipalities from the need to subject the decision to regionalize services to collective bargaining. The Legislature's Special Commission on Municipal Relief recommended that the state create a regionalization-incentive grant fund that would provide grant money to assist localities in planning and establishing shared services agreements. The Commission also encouraged further study into the possibilities of regionalizing municipal public works departments. Worcester and about twenty other towns in the region, which are members of MORE (Municipalities Organized for Regional Effectiveness) operating with administrative staff from the Central Mass Regional Planning Commission (CMRPC), have been developing inter-municipal agreements for service delivery and could take advantage of these state incentive grants.

What is your vision for Worcester Regional Airport and does it include an east-west connector from the airport to a highway? All airports in New England have redeveloped their infrastructure to connect with a major highway, most notably Worcester's major competitors, Manchester and Providence. The Comprehensive Transportation Reform Act that Governor Patrick signed into law in June calls for Massport to assume ownership of the Airport by next summer. Massport has been operating the airport, as well as assuming a significant share of its fiscal deficit since 1999. The original operating agreement that the City signed with Massport indicated that Worcester Regional Airport would require an access road connection in order for Massport to assume ownership of the Airport. This is needed to turn the Airport into a successful operation and a tool for economic development in Worcester and the region.

II. Questions for the Candidates for School Committee

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

According to Article Four of the city charter, the "Powers and Duties" of the School Committee include "to take general charge of all the 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," and "to make all reasonable rules and regulations consistent with general law, for the management of the school department." In the past, there have been accusations of School Committee members being involved in personnel decisions other than the appointment of the Superintendent. How do you understand the relation between the School Committee and the Superintendent, especially regarding the setting of overall educational policy?

How should the WPS' structural deficit be addressed? Public education is by far the biggest of Worcester's expenses, larger than all the other municipal expenses combined (\$268.2 vs. \$218.2 million in FY10, not counting \$20.5 million in charter-school funding). In FY10, foundation-level funding for the WPS was achieved by an infusion of \$15.7 million from the State Fiscal Stabilization Fund, part of the Federal American Recovery and Reinvestment Act (economic stimulus funds), and by the City's minimum contribution required by state law. (The WPS will also receive about \$24 million in stimulus money for Individuals with Disabilities Education Act (IDEA) and Title 1 programs.)

Putting the Federal stimulus money in context, WPS' budget increased by 4.6% in FY10, while all other City departments, none of which received any stimulus funds, experienced a 10.5% collective decrease. As a result of this reliance on one-time revenues, WPS now faces a structural deficit for FY11 of \$25.9 million, or 9.3% of its total budget. Although Congress intended the stimulus money to last through next fiscal year as well, Governor Patrick chose to dip into funds intended for FY11 and disburse them in FY09 in order to offset local aid cuts. The school department estimates that this could mean a loss of up to 400 positions in FY11.

How is the deficit to be addressed? If new revenues should be raised, from what source? If operating expenses should be cut, from what source? Salaries and benefits? Layoffs? Specific programs?

Should the WPS introduce merit pay? In July, the Obama Administration announced its Race to the Top Grant Competition through which states may compete, based on their record of a commitment to education reform, for \$4.3 billion in economic stimulus for education. The Administration has suggested several reform-minded policies which may make a state more competitive, such as lifting caps on charter schools and maintaining high standards on standardized tests. However, the one policy that makes a state ineligible to participate in the grant competition is a state law that prohibits linking data on student achievement to principal or teacher evaluations. In the words of the Secretary of Education, establishing a "firewall" between students and teacher data such as California, New York and Wisconsin have done, is "ridiculous." He stated, "We need to know what is and is not working and why."

Massachusetts has no such law, but merit pay or pay for performance remains controversial in the Commonwealth. In Worcester, the debate over merit pay has centered around incentive pay for Advanced Placement (AP) teachers. North High School recently completed the first year of a five-year “AP Training and Award Program,” funded by a \$373,857 grant from the non-profit Mass Insight Education and Research Institute. This money will be used to defray the test fee for students and provide stipends to teachers for AP training, along with bonuses of up to \$3,000 for teachers and school administrators for student performance. The program will be expanded to South High School this school year.

Worcester’s teachers’ union strongly opposed this program, filing a formal Prohibited Labor Practice complaint with the state’s Division of Labor Relations after the Worcester School Committee accepted the grant for North High. From the union’s perspective, the program manipulates compensation outside the bounds of collective bargaining. Providing stipends to certain teachers and not others (elementary school teachers, for example, would not be eligible to teach AP courses) and then awarding bonuses for those who succeed in increasing student test scores is, in the union’s words, “divisive.”

The City’s contract with the Educational Association of Worcester, the City’s largest union, representing almost 1,900 teachers, expired on August 31, 2009. In light of the strong position taken by the Obama Administration, should “pay for performance,” beyond AP programs, be part of the new teachers’ contract negotiations?

Why has WPS’ budget gone up while its enrollment has gone down? Between FY05 and 09, WPS’ budget increased by 15% (\$222.9 million to \$256.6 million, not including grant-funding), but enrollment during the same period *declined* by 6%. (The official enrollment figures for the current school year will be available on October 1.) Per-pupil spending increased by more than 23%, from \$9,082 to \$11,221, during this same time period.

The main factor in the \$33.7 million increase between FY05 and FY09 was an increase in salaries and benefits. They grew from 83% of the budget in FY05 to 86% in FY09. The \$20.5 million increase in salaries and benefits constituted 61% of WPS’ total budget increase. Part of this increase is due to the fact that in FY09, WPS had to shift 57 positions that were previously funded by Federal and state grants onto the general fund budget. These positions are for support services for English language learner and special education programs which WPS is required to maintain.

Do you favor increasing the employee contribution rate on health insurance to 25% for all WPS employees? Due to a concerted effort over several years on the part of the City Manager, almost all City employees outside of WPS now pay 25% of their health insurance premiums. (The lone municipal holdouts are the International Brotherhood of Police Officers, Local 504 and the New England Police Benevolent Association, Local 911, the City’s two police unions.) WPS saved \$250,000 in FY10 from increasing the employee contribution rate from 20 to 25% for non-union WPS employees and also implementing certain plan design changes. If these changes

were adopted for all other WPS employees, the school department would have saved \$3.3 million in FY10, including \$2.2 million from teachers alone.

Do you support a zero pay increase for teachers in FY10? During the current recession, the City Manager has implemented a zero pay increase for FY10 for non-union employees and successfully negotiated it with the clerks' unions and firefighters' union. Note that a "zero increase" does not refer to the automatic step and longevity pay increases for teachers (or any other represented group of employees), but any raise they may bargain for in addition to those automatic annual increases. Nor does it mean granting raises for FY10 but postponing the awarding of them until the following fiscal year (this is sometimes what is implied by the term "pay freeze").

Do you favor privatization of school services where appropriate? There are many firms in the private sector fully capable of delivering particular school services at a lower cost. Privatization would reduce administrative costs and thus maximize the amount of money available for instruction. Leominster has achieved significant savings from privatization of food and custodial services in its school district. Last year, Worcester's City Manager privatized custodial services in City Hall. The Research Bureau has estimated that WPS could have saved \$2.2 million in salaries alone in FY10 from privatizing custodial services.

How should the demand for greater access to AP courses be balanced with the need to maintain high standards? Between 2003 and 2008, the number of high school students nationwide who took at least one AP course increased by 45%, and the number of exams taken overall increased by 50%. In a recent report, the Thomas B. Fordham Institute, a non-profit research institute, analyzed these figures along with findings from a survey of over 1,000 AP teachers. The report argued that the overall effectiveness of the AP program is being compromised by its rapid expansion. According to the Fordham Institute, the increased popularity of AP courses may be largely accounted for by students' desire to make their college application look better and schools' desire to boost their own reputations.

The recent experience of WPS' AP program is reflective of these national trends. Over the past decade, WPS' AP program has more than doubled in size, both in terms of the number of course offerings and the number of exams administered annually. However, performance has remained flat. In 2007-8, only 40% of Worcester's scores were 3 or higher, the minimum necessary to receive college credit for the course. It has been argued that broader access to AP courses is good because all students benefit from exposure to the college-level curriculum regardless of how well they do on the exam. But it is important that the high standards of the program not be sacrificed in order to provide greater access. Without rigorous standards, students will not benefit from AP courses.

What should the relationship be between the WPS and Worcester's two Charter Schools? In President Obama's Race to the Top competition, states which limit the number of charter schools will be at a disadvantage in competing for the funds. In response, Governor Patrick proposed legislation that would raise the current cap on charter schools in the Commonwealth. The endorsement of charter schools by such prominent public officials in the Democratic party is just

one indication of the broad base of support that charter schools now enjoy. How can WPS and the City’s two charter schools, Abby Kelly Foster and Seven Hills, work together for the mutual benefit of all? Do you support expanding the number of charter schools in the City?

What should be the role of the School Committee in monitoring the progress of Worcester’s “Commonwealth Priority Schools”? Thirteen WPS schools have been classified as “Commonwealth Priority Schools.” These are schools that have failed to meet state performance and improvement standards on MCAS scores for four or more consecutive years. After identifying the school as a “priority” school, the state’s Department of Elementary and Secondary Education (DESE) then assists the district in developing a plan to address the school’s underperformance. How can the school committee, working in concert with the DESE, the superintendent, private consultants, and school officials help to turn around these under-performing schools?

WPS’ “Commonwealth Priority Schools”
Woodland Academy
Burncoat Street Preparatory School
Canterbury Magnet Computer-Based School
Chandler Community School
Chandler Magnet School
Goddard School of Science and Technology
Lincoln Street School
Roosevelt School
Claremont Academy
Burncoat Middle School
Forest Grove Middle School
Worcester East Middle
Dr. Arthur F. Sullivan Middle School
Source: WPS

Why hasn’t University Park Campus School’s model been replicated elsewhere in the WPS? Do you favor expanding this model, and if so, what policies should the School Committee approve to see that this model is implemented?

US News and World Report recognized University Park Campus School with a Silver Medal in its “2009 Best High Schools” rankings. This was only one of the more recent of University Park’s many accolades for excellence in urban public education. For several years now, University Park’s MCAS scores have not only outpaced state and urban district averages, but have placed it amongst the highest-performing schools in the state. University Park is a relatively new, in-district public school with a distinctive culture of high standards and expectations, which its founding principal was able to shape through the considerable authority she had over staffing decisions. Despite its success, University Park’s model is being replicated only at the Claremont Academy.

Should principals have more authority over hiring and firing staff and are you willing to alter the contract accordingly? In the recently expired contract between the Educational Association of Worcester and the School Committee, principals’ authority over filling vacant positions was substantially restricted, as it has been for many years. In hiring for open positions, high priority is given to internal candidates with seniority. Firing is even more complicated, due to an onerous arbitration process that dismissed teachers have the right to invoke. The success of the University Park Campus School is an example of the benefits of increasing principals’ authority over hiring and firing. As mentioned above, many attribute UPCS’ culture of high standards and expectations partly to the wide authority its principal has over staffing decisions.

How should WPS address its capital needs? The WPS continues to struggle to maintain the many aging school buildings in the city. Worcester's capital budget for FY08-12 allocates \$3 million annually to the WPS for capital improvements. The City is currently building a new North High School, which will cost an additional \$23 million in debt service over the FY08-12 period. North High will likely be the last school the city will be able to afford to build for some time. One of the changes that the state initiated with the creation of the Massachusetts School Building Authority in 2004 was to set a ceiling of 80% state reimbursement for all new schools. Prior to that time, Worcester had been reimbursed 90% of the costs for new buildings. In addition, the City Manager recently had to scale back the City's tax-levy supported borrowing for capital projects in order to reduce debt service in future years.

III. Questions for the Candidates for Mayor

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

How do you envision the role of Mayor? Do you plan to seek changes to the mayor's powers as enumerated in the current charter? If yes, what changes do you propose? According to the City's Charter, Article II, section 2-2 (c), "Powers and Duties of the Mayor," the primary rights and duties of the mayor are as follows:

- "The mayor shall be recognized as the official head of the city for all ceremonial purposes;
- "He/she shall be chair of the city council. The mayor shall have no power of veto but shall have the same powers as any other member of the city council to vote upon all measures coming before it;
- "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;
- "The mayor shall have no power of appointment except those powers specifically granted to the mayor in this charter except as to the appointment of the secretaries, stenographers, clerks, telephone operators, and messengers connected with his/her office whose appointment shall not be subject to the civil service laws. The mayor shall remove said appointees without a hearing and without making a statement as to the cause of their removal."

Worcester Regional Research Bureau
319 Main Street, Worcester MA 01608
508-799-7169 fax 508-799-4720
www.wrrb.org