

Summary Reporting Sheet For the city/town of NEEDHAM

Local League NEEDHAM

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Background (Data) Needham is a suburb of Boston with commuter rail service to Boston and MBTA bus service to the Green Line. It is viewed as a desirable community for families. It has a 5-member elected Board of Selectmen, 7-member School Committee, representative Town Meeting, and in 2005 changed from Town Administrator to Town Manager. Needham has a AAA bond rating; one of 15 municipalities in Massachusetts with this rating.

As of the 2000 census, there were 28,911 people, 10,612 households, and 7,778 families residing in the town. There were 10,846 housing units at an average density of 860/mi². The racial makeup is predominantly white (95%). There were 10,612 households out of which 37% had children under the age of 18 living with them, 65% were married couples living together, 7% have a female householder with no husband present and 27% were non-families. 14% of households had someone living alone who was 65 years of age or older. The average household size was 2.63 and the average family size was 3.15. Population was 31% under the age of 24 (26% under 18), 26% from 25 to 44, 25% from 45 to 64, and 18% who were 65 years of age or older. The youngest and oldest groups require more town services. The average single family tax bill in 2007 was \$6,377; the average assessed value of a single family home was \$682,000.

Needham has 7 public schools: 1 high school, 1 middle school, and 5 elementary. An eighth building, a sixth grade center in a renovated former elementary school, will open in fall 2009. A 3-year renovation/addition to the high school will be completed in fall 2008. Needham also has several private schools and one college. There are no charter schools in town and very few students attend charter schools in other towns.

After the economic downturn after 2001, school employees agreed to put off negotiating pay raises for one year (accepting COLA increases that resulted in a 1% overall increase), operational overrides of \$2 million for the schools and \$0.45 million for municipal services passed, and several municipal positions were eliminated, particularly custodians. The decline in state aid, which has not yet returned to 2001 levels, coupled with the rising costs of health benefits and fuel, have resulted in municipal budgets remaining flat during this period. An operational override for municipal services (\$.6 million) was passed in 2006 and for schools (\$1.1 million) in 2007. Although Needham has had success passing operational overrides, it has more failures than successes, and overrides alone are not the solution for long-term sustainability. The town has passed 15 debt-exclusions, including major renovations/additions for seven buildings (6 schools and library). These projects have significantly increased property taxes and town debt. Non-school buildings are in need of renovation, including Town Hall, senior center, and DPW. New buildings are usually bigger with better ventilation systems, substantially increasing fuel costs and other operating expenses.

Revenue is comprised primarily of property tax (80%) with 9% coming from local receipts, 7% from state aid and 4% other. Of that property tax, 80% comes from residential and about 15% from commercial property. The residential rate is 9.35; other 18.17.

Expenditures in 2007 were education at 49% of the general fund expenditures, which should not be compared to the state average or other towns because it does not include maintenance or fuel for schools. The Town Manager puts the education percentage at 65%. Other areas were: public safety 12%, fixed costs 16%, debt 9%, public works 4%, other 10%. Since 2003, school employees (FTEs) have increased 7%; municipal decreased 1.7%.

School enrollment has increased every year since 1996, for an overall increase of 21%. In 2007, enrollment was 4,979. The foundation budget was \$37,000,000 with \$34,000,000 local contribution. Chapter 70 aid from the state in 2007 was \$4,366,000 or 8.5% of net school spending. As a percent of the school budget, SpEd has been around 16%, below the state average. 36% of costs of SpEd tuitions were funded by the state in 2007, and has ranged from 26-53% over 2003-2007. 4% of students are classified as low income.

Needham has tried operational overrides nine times and passed them for more than half of the total request three (1991, 2003, 2007) times, although other attempts with multiple questions may have passed for less than half of the total request. Needham has tried different formats: one question, menu of questions by department, tiered, etc. Community Preservation was passed at 2%.

Indicators

- DPW no longer has employees to build roads, drains, etc.; contractors are hired when funds are available
- Needham High School sports fee has been as high as \$285 per student per sport; school bus fee is \$375 per year for all grade 7-12 students and grade K-6 students living more than 1.5 miles from school
- Recycling and Transfer fee is \$50, pay-per-throw bags are required for non-recyclable trash at \$.75-\$1.50 per bag; the town is in the process of reviewing all fees
- PTOs raise large amounts of money for school equipment: computers, rugs, library books, smart boards; parents contribute significantly to room supplies
- Community volunteers maintain gardens and raise money for playgrounds, public art and a major initiative to re-build fields
- Schools have cut programs including German at the Middle and High Schools, Spanish at elementary schools, and have been unable to implement a full-day kindergarten program
- The town has recently started 2 new stabilization funds for equipment and maintenance
- Increasing numbers (eightfold) of students with autism require intensive education services

Interviews-suggestions from officials

Interviews revealed a concern for sustainability—continuing to provide services within the budget, while planning long-term and keeping the town in a sound financial position. State aid should be fair, consistent, and reliable. Whenever state aid decreases, citizens are asked to have the property taxes increased or lose services. Major reasons for increased operating expenses are health insurance, pensions, fuel (in part due to larger buildings), and increasing numbers of students.

More autonomy for town—improve home rule. Because the towns can only do what the state allows, measures the town can implement that will impact the budget are very limited. In the area of health care benefits, the state has policies and rules for its employees that it does not allow the cities and towns to have. Needham has to bargain with several separate unions for health insurance benefits. Schools cannot enter into purchasing agreements with entities outside the state. State should take a bigger role in paying for SpEd costs. The 2 1/2, chapter 70, and home rule legislation should be studied and improved upon to avoid increases in the property taxes that are difficult for older citizens and cause divisions in community.