

Summary of the Proposed Changes to the Minuteman Regional Agreement

Provision	Existing Agreement	New Agreement
Operating Cost Apportionment	Percentage of prior-year enrollment	Percentage of average four-year enrollment
Capital Cost Apportionment	Percentage of prior-year enrollment (deemed 5-student minimum enrollment)	Three-part formula: <ul style="list-style-type: none"> • 1% assessment to all towns (16% total) • 50% based on average four-year enrollment (w/ 1-student minimum) • Remainder (34%) based on wealth-weighted utilization. Wealth measured by “combined effort” (property value and household income). Utilization based on percentage of town’s students enrolled at Minuteman.
School Committee Voting	One vote per town; all votes equal	Weighted voting with half the weight based on an equal vote for all towns and half based on average four-year enrollment
Capital Cost Obligations for Non-Member Communities	NONE	To the extent allowed by State law or regulation, non-member communities assessed a capital facilities fee equal to at least the average member-town fee. Can only be overridden by two-thirds weighted vote of School Committee.
Debt Issuance	Not addressed, so subject to two options currently permitted by State law: <ul style="list-style-type: none"> • Majority approval by all 16 member-town Town Meetings (Section 16 (d)) • Majority vote of member-town citizens (Section 16 (n)) 	Same two options, with the following conditions: <ul style="list-style-type: none"> • Minuteman will commit to use Section 16 (d) initially • If Minuteman opts to use Section 16 (n), communities who rejected debt under Section 16 (n) given option to withdraw from District • If withdrawal from District denied, community not obligated to pay for that approved debt
Withdrawal from the District	<ul style="list-style-type: none"> • Withdrawing Town: Majority vote by Town Meeting • Other Member Towns: Approval by Town Meeting of all other towns (no deemed consent) 	<ul style="list-style-type: none"> • Immediate Withdrawal Option: Provides an option, as part of the Agreement itself, for certain towns to immediately leave the District without needing a separate vote by the other District towns • Future Withdrawals, Withdrawing Town: Two-thirds vote by Town Meeting • Future Withdrawals, Other Towns: Approval by a majority of towns (with deemed consent)
Capital Cost Obligations for New Members to the District	<ul style="list-style-type: none"> • Immediately responsible for 100% of capital costs 	<ul style="list-style-type: none"> • Potential four-year phase-in of capital cost allocation, based on School Committee vote

Reasons to Support the Proposed Changes to the Minuteman Regional Agreement

Changes that Benefit Belmont

- Using a four-year average enrollment for operating and capital cost allocations smoothes out the year-to-year fluctuations in assessments which result from small changes in the number of Belmont students enrolled in Minuteman.
- Weighted voting within the School Committee increases the chances for greater fiscal discipline since the larger-sending communities, which bear more of the financial cost of School Committee decisions, have more of a say in those decisions.
- Incorporating a provision in the Regional Agreement that capital costs will be assessed to non-member communities at an amount at least equal to the average assessment for member towns (unless a two-thirds weighted vote of the School Committee opts to reduce those fees) increases the chances that non-member communities will pay their fair share towards the costs of the impending new building project.
- Changing the withdrawal provisions from requiring the affirmative approval of the Town Meeting of all the other towns in the District to a deemed consent unless the Town Meetings of one-half of the remaining towns vote to block the withdrawal provides more of an opportunity for Belmont to exit the District in the unlikely event we conclude in the future that is best for our Town and our students.
- The new provisions for future debt issuance give Belmont more local control. Requiring Minuteman to first seek approval from Town Meeting improves the chances that there will be a thorough and vigorous public review and debate rather than a bumper-sticker and slogan campaign. Incorporating an escape clause if a District-wide public election approves debt which Belmont's voters oppose provides a mechanism for that debt not to be crammed down on Belmont.

Other Changes that Improve the Overall District but Don't Directly or Materially Impact Belmont

- A capital allocation formula that is not driven purely by point-in-time enrollment and that incorporates a new flat-fee "cost of membership" component and a new "ability-to-pay" enrollment component is fairer.
- Weighted voting within the School Committee helps ensure that the communities most impacted by School Committee decisions have a greater say in those decisions.
- Lowering the threshold for member towns to withdraw from the District in the future, and the ability to phase-in the obligation for new member towns to pay capital costs, may create some additional incentive for non-member towns to join the District.
- The ability for seven towns to elect to immediately withdraw from the District allows some frustrated and generally smaller-sending communities to exit without being subject to a second vote by all member towns and without the risk of being liable on any new building debt.

Risks and Caveats Associated with Approving the Revised Regional Agreement

- There are factors which could impede Minuteman's ability to assess non-member towns for capital costs in the future. The ability to assess such a fee is subject to DESE approval, and DESE can cap or rescind that approval at any point in time. Non-member communities have threatened to legally challenge DESE's recent decision to allow such assessments. Faced with significant capital cost assessments, non-member communities might seek alternatives other than Minuteman for providing vocational education to their students. That said, DESE is not going to approve an Agreement that restricts its ability over fee-setting and Minuteman and Belmont have all of those same risks regardless of whether the Regional Agreement is approved.
- The terms of the revised Regional Agreement are not effective until the new Agreement is approved by DESE. That approval is currently not expected to be received prior to Minuteman requesting permission later this spring to issue debt for the new building. Therefore, the procedures by which Minuteman could obtain that approval and the obligation for the remaining towns in the District to abide by that debt approval would both be governed under the terms of the current Regional Agreement, not the amended Agreement. Consequently, a simple majority vote of the School Committee is all that would be required to request borrowing authority from the towns and to elect to make that request through a general District-wide election. Additionally, School Committee members and residents of the withdrawing towns would be able to participate in the decision to authorize the borrowing even though they would not be liable under the new debt. There would also be no escape clause for communities whose citizens voted against the debt in a general election. However, these processes and procedures are essentially no different than those that would govern the debt authorization process if the revised Agreement is rejected.
- The approval of the new Regional Agreement does not impact the size of the current proposed new school building project even if the seven potentially withdrawing towns all elect to leave the District. This could increase Belmont's financial exposure for the cost of any borrowing for a new school building project, particularly if Minuteman is unable to collect capital facility fees from non-member towns towards any building-related debt service.
- If the new building debt is approved while Belmont is a member of the District, Belmont will be liable for its share of that debt (under the revised capital cost allocation formula) even if Belmont should opt to leave the District in the future. However, given the number of students that Belmont traditionally sends to Minuteman and the physical proximity of Minuteman compared to other vocational schools, it seems likely that Belmont will want to remain a member of Minuteman for the foreseeable future.
- There is no prohibition on member towns withdrawing from the District and then turning around and sending their students back to Minuteman on a non-member basis at a lower tuition cost and a potentially lower capital cost. However, the requirement that non-member communities pay a capital facilities fee equal to the average fee for member towns helps reduce some of the financial benefit of withdrawing.