

Acton-Boxborough Regional Schools
FY'16 Budget Binder Table of Contents
January 31, 2015

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(With Appendix A)

AGREEMENT
FOR A REGIONAL SCHOOL DISTRICT
FOR THE TOWNS OF
ACTON AND BOXBOROUGH, MASSACHUSETTS

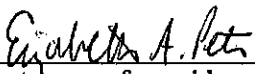
(As revised effective July 1, 2014)

(As approved March 21, 1955 and
As Amended on: October 10, 1955
October 1, 1956
March 9, 1959
December 27, 1973
October 5, 1998 and
June 3, 2013)

Certificate of the Secretary

I, the undersigned Secretary of Acton-Boxborough Regional School District having custody of its official records, hereby certify that this document represents the Agreement for a Regional School District for the Towns of Acton and Boxborough, Massachusetts as amended to date.

Witness my hand and the official seal of said Acton-Boxborough Regional School District this 4th day of June, 2013.



Secretary as aforesaid

Acton-Boxborough Regional School District

AGREEMENT

This Agreement is intended to establish a pre-school through grade 12 regional school district for the Towns of Acton and Boxborough, in the Commonwealth of Massachusetts, hereinafter referred to as member towns.

SECTION 1. MEMBERSHIP OF THE REGIONAL DISTRICT COMMITTEE

- A. The Regional District School Committee, hereinafter referred to as the "Committee," or "the Regional School Committee," shall consist of eleven (11) members, seven (7) residing in the Town of Acton and four (4) residing in the Town of Boxborough. The weight of voting is as established in paragraph G below.
- B. At the annual town elections in 2014, in addition to electing two members of the Regional School Committee consistent with the Regional Agreement which is expiring on June 30, 2014, the Town of Acton, in order to achieve the configuration of Committee members established in paragraph A of this Section, will also elect a third member, whose term of office will begin on July 1, 2014. At the annual town elections in 2014, in addition to electing one member of the Regional School Committee consistent with the Regional Agreement which is expiring on June 30, 2014, the Town of Boxborough, in order to achieve the configuration of Committee members established in paragraph A of this Section, will also elect a second member, whose term of office will begin on July 1, 2014.
- C. At the annual town elections beginning in 2015, the Town of Acton shall elect two (2) or three (3) members of the Committee from the Town of Acton (whichever number is necessary to complete Acton's complement of seven committee members), and the Town of Boxborough shall elect one (1) or two (2) member(s) of the Committee from the Town of Boxborough (whichever number is necessary to complete Boxborough's complement of four committee members). Each member so elected shall serve for a term of three (3) years or until a successor is elected and qualified.
- D. No fewer than four (4) members from Acton and no fewer than two (2) members from Boxborough must be present in order to constitute a quorum for the transaction of business.
- E. The Committee shall have all the powers and duties conferred and imposed upon school committees by Massachusetts General Law and conferred and imposed upon it by this Agreement and any special laws.

- F. At the first regular meeting of the Committee following the latest town election to be held in each year, the Committee shall organize by choosing a Chairman from its own members, and by appointing a Secretary and a Treasurer who may be the same person, but who need not be members of the Committee. The Committee shall define the duties of all officers. The Committee shall appoint such other officers and agents as it deems advisable.
- G. On all matters coming before the Committee, each member from Boxborough shall cast one vote and each member from Acton shall cast 2.5 votes. This weighted voting will be re-examined every ten (10) years, after the publication of the new federal census data to verify that the weighted voting is within DESE standards.

SECTION 2. TYPE OF REGIONAL DISTRICT SCHOOL

- A. The Regional School District shall consist of school grades pre-school through twelve, inclusive.
- B. The Committee may establish and maintain state-aided vocational education, in accordance with the provisions of Chapter 74 of the General Laws, and acts amendatory thereto or dependent thereon by amendment to this agreement.

SECTION 3. SCHOOL ATTENDANCE

- A. Residents of the member towns may attend the Regional District Schools under the same regulations as would apply to a local school system.
- B. Students residing outside the District may attend the Regional District Schools upon approval of the Committee and payment of tuition established in the manner provided by law.
- C. Students wishing to attend vocational schools may do so in the manner provided by law.
- D. During the period July 1, 2014 to June 30, 2019, pre-school to grade 6 students who reside in Acton will have first option for attending an elementary school in Acton while pre-school through grade 6 students who reside in Boxborough will have first option for attending an elementary school in Boxborough. Exceptions to this may be made for special education purposes or for other reasons which the Superintendent finds compelling. As of July 1, 2019, the "first option" described in the preceding two sentences will continue unless the option is altered by the Regional School Committee. In any event, any student who began his or her attendance in a particular elementary school, as well as any younger siblings of that student, will be given a preference in terms of continuing to attend at that school.

- E. School transportation shall be provided by the Regional School District for all eligible students residing in the member towns who are enrolled in the District, grades pre-K through 12.

SECTION 4. LOCATION OF THE REGIONAL DISTRICT SCHOOLS

- A. The Regional District's schools shall be located in the towns of Acton and Boxborough. Each town will be guaranteed at least one school within its borders.
- B. Effective July 1, 2014, the Town of Acton and the Town of Boxborough will sell and convey to the District for the sum of one dollar each, ownership of the elementary school buildings, and the property on which said buildings are located, that are then currently in existence. Said conveyance of these school properties shall be contingent upon the execution of intermunicipal agreements between Acton and the District and between Boxborough and the District which will resolve any outstanding title issues associated with the properties, allocate responsibility for any pre-existing condition of or debt service associated with the properties or buildings, address any pre-existing leases of any portions of the properties or buildings, reserve and ensure continued town uses as defined in those agreements, and otherwise ensure that any issues of mutual concern to each Town and the District regarding these properties are satisfactorily addressed in those agreements. At any time in the future, if the Regional School Committee votes that any of the Region's buildings and properties that are owned by the Region is/are no longer needed by the Region for school-related purposes, the ownership of said building and property shall be sold and conveyed to the Town in which it is located for the sum of one dollar.

SECTION 5. APPORTIONMENT AND PAYMENT OF COSTS INCURRED BY THE DISTRICT

- A. The construction, capital, operating, and transportation costs of the District and payments of principal and interest on its bonds, notes and other obligations, net of Federal and/or State financial aid and any other income received by the District, shall be apportioned annually between Acton and Boxborough as set out in subsections B and C below.
- B. Providing such is not contrary to applicable law, each member town's share of capital, operating and transportation costs for each fiscal year shall be determined by computing, to the nearest 1/100 of 1%, the ratio which the sum of its pupil enrollments in the Regional School District on October 1 of the three years next preceding the start of such fiscal year bears to the sum of the pupil enrollments in the Regional School District of all member towns on October 1 of the same three years. These ratios shall be known as the base percentages.
- C. Providing such is not contrary to applicable law, Boxborough's share of construction costs incurred prior to July 1, 2014 which are attributable to the Region's grade 7-12

facilities for each fiscal year shall be its base percentage minus five percentage points. This five percentage point "discount" will not be applied to construction costs incurred after July 1, 2014, which are attributable to the Region's grade 7-12 facilities. Acton shall pay the remainder of such construction costs attributable to the Region's grade 7-12 facilities. Each town's respective share of the construction costs attributable to the Region's Pre K through grade 6 facilities will be computed using the same criteria as applied to operating costs.

- D. Because of considerations discussed and agreed to at the time of the expansion of the District from a grade 7 to 12 region to a pre-K to 12 region, the transitional rules appearing in Appendix A regarding the apportionment of costs to the member towns for fiscal years 2015 through 2021 will apply. Appendix A is incorporated herein by reference.
- E. In the event that some provision of applicable law requires some different apportionment of the costs of construction or capital or operating the District than is provided in this section of the Agreement, then insofar as is practical and allowed by the applicable law, in good faith the member towns shall apportion those costs, the division of which is not otherwise controlled by the applicable law, so as to exactly or as nearly as practical achieve the same overall apportionment of total costs in each fiscal year as would otherwise have been achieved by the formulas specified in Section 5, subsections B and C above.
- F. In the event that (an) additional town(s) is (are) admitted into the Region under the provisions of Section 7, the formulas in Section 5 will be renegotiated.

SECTION 6. AMENDMENTS

- A. This agreement may be amended from time to time in the manner hereinafter provided, but no such amendment shall be made which shall materially or adversely affect the rights of the holders of any bonds or notes or other indebtedness of the District then outstanding, or the rights of the District to procure the means for payment thereof, provided that nothing in this section shall prevent the admission of a new town or towns to the District. A proposal for amendment may be initiated by a single petition bearing the signatures of at least 200 registered voters of the District or by a majority of the members of the Committee.
- B. Said petition shall also contain, at the end thereof, a certification by the town clerks of the respective member towns as to the number of signatures on the petition which appear to be names of registered voters from that town; such certification to be prima facie evidence thereof. Any such proposal for amendment shall be presented to the secretary of the Committee who shall mail or deliver a notice in writing to the Board of Selectmen of each of the member towns that a proposal to amend this agreement has been received and shall enclose a copy of such proposal (without the signatures in the case of a proposal by petition). The selectmen in each member town shall include, in the warrant for

the next annual or a special town meeting called for the purpose, an article stating the proposal or the substance thereof. Such amendment shall take effect upon its acceptance by a majority of voters present and voting in each of the member towns. Said vote shall be by ballot. All amendments are subject to the approval of the Commissioner of Education.

- C. Recognizing that over time circumstances often change, and intending that this Agreement should continue to serve the best interests of the member Towns, the School Committee should, at five year intervals, review the need to establish an ad hoc study group composed of knowledgeable persons to study this Agreement and report to the Committee as to whether or not any changes to this Agreement might be beneficial, in light of the then prevailing conditions. The Committee shall give any such ad hoc study group's report due consideration, but may exercise its discretion as to whether or not it will implement any of the group's recommendations.

SECTION 7. ADMISSION OF ADDITIONAL TOWNS

- A. By an amendment of this agreement adopted under and in accordance with Section 6 above, any other town or towns may be admitted to the Regional School District upon adoption as therein provided of such amendment and upon acceptance by the town or towns seeking admission of the agreement as so amended and also upon compliance with such provisions of law as may be applicable and such terms as may be set forth in such amendment.
- B. Upon admission of such town or towns, the total construction costs plus the cost of any subsequent capital acquisitions and improvements, reduced by an appropriate depreciation allowance, shall be reapportioned to all towns in the District including the newly admitted town (or towns) in a reasonable manner. The newly admitted town shall then assume liability of its entire share of the cost to be paid to the District over the remaining term of any funded debt issued to pay such construction costs or subsequent capital acquisitions or improvements. If no such funded debt exists, the newly admitted town (or towns) shall finance its share independently of the District and pay the same directly to each member town according to the proportion such towns had originally paid to the District.

SECTION 8. WITHDRAWAL OF MEMBER TOWNS

Any member town may petition to withdraw from the Regional School District under terms stipulated in Section 6 of this agreement provided (1) that the town seeking to withdraw has paid over to the Regional School District any operating costs and non-debt financed capital or construction costs for which it became liable as a member of the

District, and (2) that said town shall remain liable to the District for its share of the indebtedness of the District, other than temporary indebtedness incurred in anticipation of revenue, outstanding at the time of such withdrawal, and for interest thereon, to the same extent and in the same manner as though the town had not withdrawn from the District, except that such liability shall be reduced by any amount which such town has paid over at the time of withdrawal and which has been applied to the payment of such indebtedness and interest or which has been deposited for the purpose as provided in the second paragraph below.

Said petitioning town shall cease to be a member town if the proposed amendment is accepted by the petitioning town and each of the other member towns by a two-thirds (2/3) majority vote at an annual or special town meeting.

Money received by the District from a withdrawing town for payment of funded indebtedness and interest thereon shall be used for only such purpose and until so used shall be deposited in trust in the name of the District with a Massachusetts bank or trust company.

SECTION 9. NOTICE OF DEBT AUTHORIZATION

Notice of any debt authorization shall be given to the member towns in accordance with the applicable law, or within ten days of the relevant vote of the Committee, whichever is less. Thereinafter, notwithstanding any provision of applicable law, as has been the Region's practice for many years, such debt shall not actually be incurred until the amount of the proposed debt has been specifically approved by a two-thirds vote at the next annual or special town meeting in each member town.

SECTION 10. BUDGET

- A. The Committee should annually, at least 20 days prior to the date on which the final budget is adopted, prepare a preliminary budget. A preliminary budget shall include the amounts necessary to be raised to maintain and operate the Regional District Schools during the ensuing fiscal period, and include the amount required for payment of debt and interest incurred by the District which will be due in said fiscal period. All non-recurring expenditures shall be itemized. This preliminary budget shall be itemized in such further detail as the Committee may deem advisable. From the total of said budget there shall be deducted any surplus receipts for the preceding fiscal period over the costs and expenses for that fiscal period, excepting those receipts which were reserved for that fiscal period. The preliminary budget shall be approved by a majority of the members of the Committee from each member town.
- B. Copies of said preliminary budget shall be prepared by the Committee, and promptly made available to the Finance Committee of each member town.
- C. The Committee shall hold a budget hearing annually. Thereafter, the Committee shall adopt a final budget not later than forty-five days prior to the earliest date on

which the business session of the annual town meeting of any member town is to be held, but in no event later than March 31 (provided that said budget need not be adopted earlier than February 1). The final budget shall be adopted pursuant to applicable provisions of law.

- D. Within ten days, or such lesser period as provided by law from the date on which the final annual budget is adopted by the Committee, the Treasurer of the Committee shall certify to the Treasurer of each member town and inform the Chairmen of the Board of Selectmen and the Finance Committee of each member town of its share of the budget to become due in the ensuing fiscal period, as well as any other information required by law.
- E. Each member town shall seasonably bring the Committee's final budget before an annual or special town meeting and thereafter pay its proportionate share of the annual construction, capital and operating costs to the Regional School District in equal monthly amounts and on the fifteenth of each month, unless the District Treasurer, after due consultation with the member Towns' Treasurers, determines that there is good cause to select a different day of the month for any particular fiscal year. If either Acton or Boxborough should fail to approve any Regional budget submitted to its respective meetings, any further proceedings will be as provided by law.

SECTION 11. ANNUAL REPORT

The Committee shall on or before October 1 of each year submit an annual report to each of the member towns, containing a detailed financial statement, and a statement showing the method of computing the annual charges assessed against each town, together with such additional information relating to the operation and maintenance of the regional school as may be deemed necessary by the Committee or by the selectmen of any member town, and each member town shall include said report in its annual report.

SECTION 12. TRANSITION PERIOD

- A. Until July 1, 2014, the Acton School Committee and the Boxborough School Committee will continue to oversee and operate the pre-school through grade 6 programs in Acton and Boxborough, respectively, subject to the restrictions spoken to in paragraph D below, and until said date the Acton-Boxborough Regional School Committee will continue to oversee and operate the grades 7-12 programs for the two towns.
- B. Upon the acceptance of this Agreement by the Town Meetings in Acton and Boxborough and the approval of this Agreement by the Commissioner of Education, the Acton-Boxborough Regional School Committee, in addition to its duties to oversee and operate the then existing grade 7 through grade 12 regional school district, shall also become a "transitional school committee," consistent

with 603 CMR 41.03(5) with respect to the expanded pre-school through grade 12 region. This transition period will extend from the date of acceptance by the two Town Meetings and the approval by the Commissioner until June 30, 2014. During this transition period, the same criteria regarding quorum, weight of voting, and the service of officers will apply to the Transitional School Committee as apply to the then-current Acton-Boxborough Regional School Committee.

- C. During the transition period, the Regional School Committee, acting as the Transitional School Committee, shall possess all powers, subject to the availability of funds necessary for the exercise of such powers, necessary for the planning and implementation of the expanded regional school district, including but not limited to the following:
1. The power to receive funds from the Commonwealth as well as appropriations, grants, and gifts from other sources. This is not intended to alter the fact that during the transition period other funds from the Commonwealth will continue to flow to the member towns and their individual school departments.
 2. The power to establish and adopt policies for the expanded regional school district.
 3. The power to employ a superintendent, treasurer, chief financial officer, school physician, and director of Special Education, as well as the power to authorize the superintendent to employ other personnel as needed.
 4. The power to contract for and/or purchase goods and services, as well as the power to enter into leases and other agreements with the member towns, collaboratives, vendors, and other agencies and parties, with all the powers being able to be exercised on behalf of the expanded regional school district.
 5. The power to adopt budgets for the expanded regional school district, and to assess the member towns for these budgets.
 6. The power to negotiate and to enter into collective bargaining agreements, which will take effect no sooner than the inception of the expanded regional school district.
 7. The power to develop and adopt a strategic plan for the expanded regional school district.
 8. The power to appoint subcommittees.
- D. During the transition period, the local school committees of the member towns


and the Regional School Committee when not acting as the Transitional School Committee, may not make decisions that will financially obligate or legally encumber the expanded regional school district without ratification by majority vote of the Regional School Committee acting as the Transitional School Committee. In addition, the local school committees shall comply with the following during the transition period:

1. No construction of new schools will be undertaken and no building closures will occur unless ratified by majority vote of the Regional School Committee acting as the Transitional School Committee.
2. Program offerings will remain substantially the same.
3. No school choice openings will be filled to take effect after June 30, 2014 except with the approval by majority vote of the Regional School Committee acting as the Transitional School Committee.
4. The school administration of the local school districts shall cooperate with the Regional Administration in terms of information sharing and in terms of the transfer control during the transition period.
5. During the period July 1, 2013 to June 30, 2014, the Regional School Committee will assume responsibility for the transportation of the regular education students (i.e., not the special education students or the vocational students) who reside in Acton and Boxborough and who are enrolled in the Acton or Boxborough Public Schools. During 2013-2014 the Acton School Committee and the Boxborough School Committee will authorize the payment to the Regional School Committee of an amount equal to the cost of said transportation for their respective regular education students.

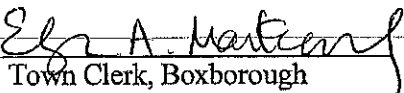
This agreement shall take effect on July 1, 2014 and shall continue in effect from year to year thereafter, unless amended or terminated consistent with the terms of this Agreement and with the General Laws and state regulations.

IN WITNESS WHEREOF, this agreement has been approved and accepted as of the 4th day of June, 2013.

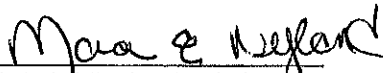
I hereby certify that the above Regional Agreement was approved by vote of the Town of Acton held on June 3, 2013

By 
Town Clerk, Acton

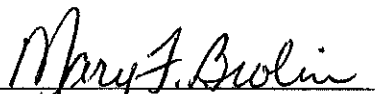
I hereby certify that the above Regional Agreement as approved by vote of the Town of Boxborough held on June 3, 2013

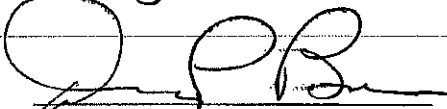
By 
Town Clerk, Boxborough


Acton-Boxborough Regional School Committee:


Maria Neyland, Chairperson

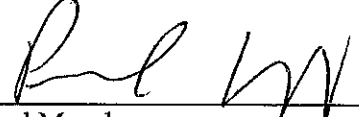

Brigid Bisber


Mary Brolin

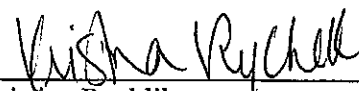

Dennis Bruce


Michael Coppolino


Kim McOsker


Paul Murphy


Deanne O'Sullivan


Kristina Rychlik

APPENDIX A

1. The figure of \$1,873,119 has been established as the “projected benefits” that will be used as a factor in the calculations which will be made under the following paragraphs of this Appendix A.

2. The following projected “base budgets” have been established for Acton and for Boxborough for fiscal year 2015 (i.e., July 1, 2014 to June 30, 2015) through fiscal year 2019 (i.e., July 1, 2018 to June 30, 2019):

FY'15: Acton, \$51,788,675; Boxborough, \$11,097,136

FY'16: Acton, \$53,398,447; Boxborough, \$11,134,949

FY'17: Acton, \$55,056,859; Boxborough, \$11,308,113

FY'18: Acton, \$56,675,977; Boxborough, \$11,426,890

FY'19: Acton, \$58,148,708; Boxborough, \$11,521,994

3. For fiscal year 2015 through fiscal year 2019, the following “percentage shares” of the projected benefits will be used for purposes of the calculations which will be made under the following paragraphs of this Appendix:

FY'15: Acton, 80%; Boxborough 20%

FY'16: Acton, 87.5%; Boxborough 12.5%

FY'17: Acton, 90%; Boxborough 10%

FY'18: Acton, 82.5%; Boxborough 17.5%

FY'19: Acton, 60%; Boxborough 40%

4. In order to establish the assessments for fiscal year 2015 through fiscal year 2019, the following multi-step process will be followed:

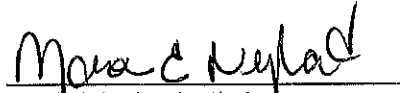
a. The percentage share (see paragraph 3 above) of the projected benefits for the respective town and for the respective fiscal year will be multiplied by the projected benefit figure of \$1,873,119, yielding an “allocated benefits figure” for each of the two towns for that particular fiscal year. For example, for FY'15, Acton's allocated benefit figure will be \$1,498,495 (i.e., 80% x \$1,873,119), while Boxborough's allocated benefit figure will be \$374,624 (i.e., 20% x \$1,873,119).

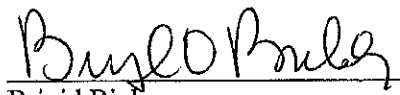
b. The base budget for each of the two towns for the respective fiscal year (see paragraph 2 above) will be reduced by the allocated benefits figure for that year and for that town. For example, for FY'15, Acton's base budget of \$51,788,675 will be reduced by \$1,498,495, yielding a recalculated base budget figure of \$50,290,179. Similarly, for FY'15, Boxborough's base budget of \$11,097,136 will be reduced by \$374,624, yielding a recalculated base budget figure of \$10,722,512.


- c. The recalculated base budget figures for each of the two towns resulting from paragraph 4,b above will be added together, and the respective percentage that each town's base budget figure bears to that total sum will be calculated. For example, for FY'15, the sum of the recalculated base budget figures is \$61,012,691, of which Acton's recalculated base budget figure (i.e., \$50,290,179) represents 82.43%, while Boxborough's recalculated base budget figure (i.e., \$10,722,512) represents 17.57%.
- d. The percentage shares calculated under paragraph 4,c above (which, for example, in FY'15 would be 82.43% for Acton and 17.57% for Boxborough) will then be compared to the percentage shares that would result from the apportionment criteria that appear in Section 5, subsections B and C of this Agreement, and the respective differences in those shares will be identified. These respective differences will then be used to lower the actual assessment of the town by that percentage amount if the percentage share calculated under paragraph 4,c is lower than the percentage share that would result under subsections B and C, or to raise the town's actual assessment if the converse is true. If, for example, Acton would have an assessment percentage of 83.92% for FY'15 using the apportionment criteria that appear in subsections B and C, this percentage would be 1.49% higher than the percentage identified for Acton under paragraph 4,c above. Conversely, if Boxborough would have an assessment percentage of 16.08% for FY'15 using the apportionment criteria that appear in subsections B and C, this percentage would be 1.45% lower than the percentage identified for Boxborough under paragraph 4,c above. Under this example, Acton's actual assessment percentage for FY'15 will be lowered by 1.49% to 82.43% and Boxborough's actual assessment percentage will be raised by 1.49% to 17.57%, as compared to the assessments that would occur using the apportionment criteria that appear in subsections B and C.
- e. During each of the years from fiscal year 2015 to fiscal year 2019, the Region's administration will report to the Regional School Committee and to the Finance Committee and the Board of Selectmen of each member town the per pupil costs of each elementary school. The purpose of this reporting will be to incentivize the convergence of per pupil costs at each elementary school. This reporting shall be made as part of the Annual Report described in Section 11.
- f. For fiscal year 2020 Acton will be assessed \$425,000 less, and Boxborough will be assessed \$425,000 more, than would result from the apportionment criteria that appear in subsections B and C. For fiscal year 2021 Acton will be assessed \$25,000 less, and Boxborough will be assessed \$25,000 more, than would result from the apportionment criteria that appear in subsections B and C.
- g. Once the fiscal years addressed by the transitional rules established in this Appendix A have elapsed, the assessment language otherwise appearing in Section 5 of the Agreement will control.


IN WITNESS WHEREOF the parties have caused these presents to be signed,
sealed and delivered by the officers of each hereunto duly authorized this 4th day of
June 2013.

Acton-Boxborough Regional School Committee:

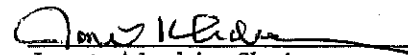

Maria Neyland, Chairperson



Brigid Bieber

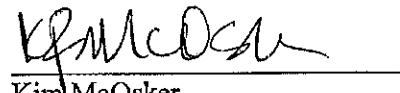

Mary Brglin

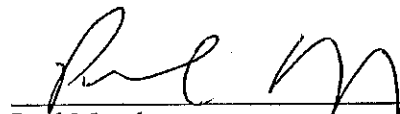

Dennis Bruce

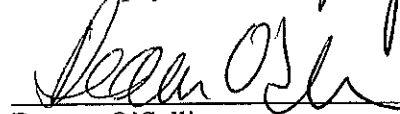
Acton Board of Selectmen:


Janet Adachi, Chairman


Michael Coppolino


Kim McOsker


Paul Murphy


Deanne O'Sullivan


Kristina Rychlik

Boxborough Board of Selectmen:


Vincent Amoroso, Chairman



Boxborough Town Clerk

29 Middle Road, Boxborough, Massachusetts 01719

Phone: (978) 263-1116 • Fax: (978) 264-3127

elizabeth.markiewicz@town.boxborough.ma.us

I, Elizabeth Markiewicz, Clerk of the Town of Boxborough, hereby do certify that the following is a true copy of the action taken on Article 1 at the Special Town Meeting held on June 3, 2013, at the Blanchard Memorial School in Boxborough, Massachusetts, with the adjourned session held on June 3, 2013, at the Holiday Inn Boxborough, 242 Adams Place, Boxborough, MA:

ARTICLE 1 AMENDMENTS TO REGIONAL SCHOOL AGREEMENT

(Ballot Vote)

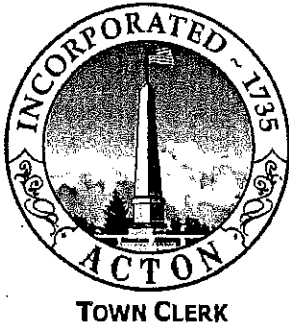
To see if the Town will vote by ballot, consistent with the terms of Section 7 of the existing "Agreement for a Regional School District for the Towns of Acton and Boxborough, Massachusetts," to accept the amendments to said Agreement which have been initiated and approved by a majority of the members of the Regional School Committee, substantially in the form set forth below, with such further amendments as may be required by the Commissioner of Elementary and Secondary Education, approved by a majority of the members of the Regional School Committee and submitted to the Board of Selectmen of each member town prior to its vote on this article; provided, however, that all such amendments shall take effect only if: (a) said amendments have been approved by the Commissioner of Elementary and Secondary Education, and (b) said amendments have been accepted by a majority of the voters present and voting in the Acton Town Meeting and separately in the Boxborough Town Meeting, or to take any other action relative thereto.

Motion: Maria Neyland, Chair of the Boxborough School Committee, moved that the Town accept the amendments to the Acton Boxborough Regional School District Agreement as set forth in the warrant with the changes voted and approved by the Regional School Committee at its meeting held on May 31, 2013.

Action on Article 1, June 3, 2013: The motion on Article 1 passed by a majority vote by secret ballot. Yes: 439 No: 195

A true copy, attest:

Elizabeth A. Markiewicz
Boxborough Town Clerk



TOWN OF ACTON
472 MAIN STREET
ACTON, MASSACHUSETTS, 01720
TELEPHONE (978) 929-6620
FAX (978) 929-6340
clerk@acton-ma.gov

A TRUE COPY, ATTEST:

Jan K. Spivack
TOWN CLERK, ACTON, MA

ABSTRACT OF THE ANNUAL TOWN MEETING HELD
MONDAY, JUNE 3, 2013, 7:00 P.M.
ACTON-BOXBOROUGH REGIONAL HIGH SCHOOL AUDITORIUM
NUMBER OF REGISTERED VOTERS ATTENDING TOWN MEETING
JUNE 3, 2013 – 566

ARTICLE 1 AMENDMENTS TO REGIONAL SCHOOL AGREEMENT
(Majority vote, by Ballot)

To see if the Town will vote by ballot, consistent with the terms of Section 7 of the existing "Agreement for a Regional School District for the Towns of Acton and Boxborough, Massachusetts," to accept the amendments to said Agreement which have been initiated and approved by a majority of the members of the Regional School Committee, substantially in the form set forth below, with such further amendments as may be required by the Commissioner of Elementary and Secondary Education, approved by a majority of the members of the Regional School Committee and submitted to the Board of Selectmen of each member town prior to its vote on this article; provided, however, that all such amendments shall take effect only if: (a) said amendments have been approved by the Commissioner of Elementary and Secondary Education, and (b) said amendments have been accepted by a majority of the voters present and voting in the Acton Town Meeting and separately in the Boxborough Town Meeting, or to take any other action relative thereto.

MOTION: Mr. Bruce moves that the Town accept the amendments to the Regional School Agreement consistent with the Article in the handout which includes the Agreement dated 5-31-13.

MOTION CARRIES

Ballot count: Yes: 349 No: 194 Total: 543

Massachusetts Department of Elementary and Secondary Education FY15 Chapter 70 Summary

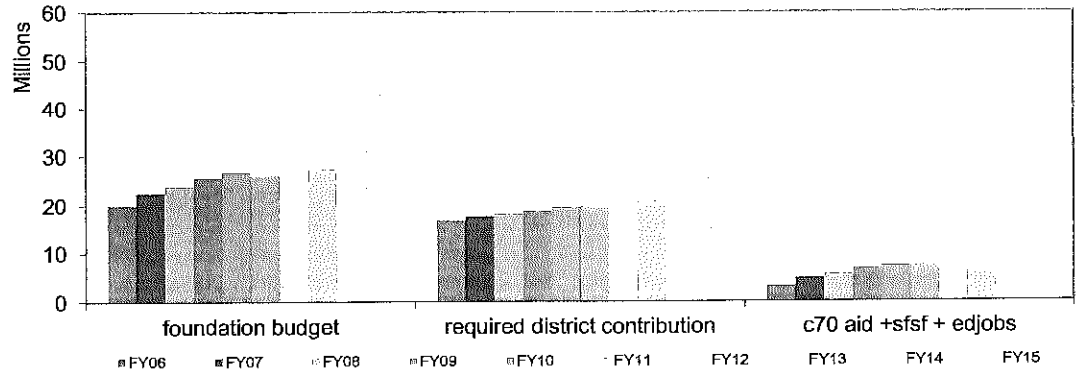
600 ACTON BOXBOROUGH

Aid Calculation FY15

Prior Year Aid	
1 Chapter 70 FY14	14,113,251
Foundation Aid	
2 Foundation budget FY15	52,422,543
3 Required district contribution FY15	40,290,368
4 Foundation aid (2 -3)	12,132,175
5 Increase over FY14 (4 - 1)	0
Downpayment Aid	
6 Target aid %	25.27%
7 Foundation aid with fully reduced effort	13,247,177
8 Increase over FY14 to reach 35% phase-i	0
9 Downpayment aid	0
Minimum Aid	
10 Minimum \$25 per pupil increase	141,225
Non-Operating District Reduction to Foundation	
11 Reduction to foundation	0
FY15 Preliminary Chapter 70 Aid	
12 sum of line 1, 5, 9 and 10 minus 11	14,254,476

Comparison to FY14

	FY14	FY15	Change	Pct Chg
Enrollment	2,972	5,649	2,677	90.07%
Foundation budget	52,562,909	52,422,543	-140,366	-0.27%
Required district contribution	40,155,864	40,290,368	134,504	0.33%
Chapter 70 aid	14,113,251	14,254,476	141,225	1.00%
Required net school spending (NSS)	54,269,115	54,544,844	275,729	0.51%
Target aid share	24.81%	25.27%		
C70 % of foundation	26.85%	27.19%		
Required NSS % of foundation	103.25%	104.05%		



C.S. 2-ER

Commonwealth of Massachusetts Department of Revenue

FY2015

**NOTICE TO REGIONAL SCHOOL DISTRICTS
OF ESTIMATED RECEIPTS**

General Laws, Chapter 58, Section 25A

Acton Boxborough

A. EDUCATION

Distributions and Reimbursements

Chapter 70	14,254,476
Charter School Tuition Reimbursement	133,282
Regional School Transportation	1,729,727

Offset Items - Reserve for Direct Expenditure:

School Lunch	13,812
School Choice Receiving Tuition	360,992
Essex County Agricultural Receiving Tuition	0
TOTAL ESTIMATED RECEIPTS:	16,492,289

Estimated Charges:

Special Education	12,675
School Choice Sending Tuition	91,711
Charter School Sending Tuition	541,005
TOTAL ESTIMATED CHARGES:	645,391

B. TOTAL RECEIPTS, NET OF ESTIMATED CHARGES: 15,846,898

Massachusetts Department of Elementary and Secondary Education

Office of School Finance

FY15 Preliminary Chapter 70 Foundation Budget

600 ACTON BOXBOROUGH

	----- Base Foundation Components -----										--- Incremental Costs Above The Base ---				TOTAL*
	(1) Pre-School	(2) ----- Kindergarten ----- Half-Day	(3) Full-Day	(4) Elementary	(5) Jr High/ Middle	(6) High School	(7) ELL PK	(8) ELL K Half	(9) ELL KF - 12	(10) Voca- tional	(11) Special Ed In District	(12) Special Ed Out of Dist	(13) ---- Low Income ---- Elem	(14) Other	
Foundation Enrollment	84	266	25	1,927	1,366	1,988	0	33	151	0	210	56	179	99	5,649
1 Administration	15,699	49,715	9,345	720,286	510,592	743,087	0	6,168	56,442	0	541,761	144,470	0	0	2,797,565
2 Instructional Leadership	28,354	89,789	16,877	1,300,908	922,180	1,342,089	0	11,139	101,939	0	0	0	0	0	3,813,277
3 Classroom and Specialist Teachers	130,014	411,712	77,389	5,965,084	3,721,097	7,963,901	0	76,923	703,965	0	1,787,676	0	498,520	208,297	21,544,579
4 Other Teaching Services	33,344	105,591	19,849	1,529,935	780,699	945,890	0	10,475	95,860	0	1,669,129	2,207	0	0	5,192,978
5 Professional Development	5,142	16,283	3,062	236,061	181,402	255,980	0	2,736	25,038	0	86,237	0	10,972	6,068	828,982
6 Instructional Equipment & Tech	18,094	57,299	10,770	830,171	588,486	1,370,328	0	7,109	65,052	0	72,377	0	0	0	3,019,687
7 Guidance and Psychological	9,459	29,955	5,631	434,064	409,585	747,222	0	4,947	45,276	0	0	0	0	0	1,686,139
8 Pupil Services	3,763	11,915	2,240	259,027	299,911	1,006,510	0	2,217	20,297	0	0	0	0	0	1,605,881
9 Operations and Maintenance	36,103	114,327	21,490	1,656,452	1,273,007	1,796,344	0	19,202	175,720	0	605,175	0	76,994	42,583	5,817,398
10 Employee Benefits/Fixed Charges	31,292	99,090	18,625	1,435,711	967,661	1,352,993	0	15,464	141,523	0	659,219	0	48,658	26,911	4,797,148
11 Special Ed Tuition	0	0	0	0	0	0	0	0	0	0	0	1,318,908	0	0	1,318,908
12 Total	311,266	985,676	185,279	14,367,700	9,654,619	17,524,346	0	156,381	1,431,114	0	5,421,574	1,465,584	635,143	283,860	52,422,543
13 Wage Adjustment Factor	104.0%														
Foundation Budget Per Pupil															9,280

* Total foundation enrollment does not include columns 11 through 14, because those columns represent increments above the base. The pupils are already counted in columns 1 to 10.

Total foundation enrollment assigns pupils in pre-kindergarten and half-time kindergarten an enrollment count of .5.

Special education in-district headcount is an assumed percentage, representing 3.75 percent of K to 12 non-vocational enrollment and 4.75 percent of vocational enrollment.

Special education out-of-district headcount is also an assumed percentage, representing 1 percent of non-vocational K-12 enrollment.

Low income headcounts are the number of pupils in columns 1 through 10 who are eligible for free or reduced lunch.

Each component of the foundation budget represents the enrollment on line 1 multiplied by the appropriate state-wide foundation allotment.

The wage adjustment factor is applied to underlying rates in all functions except instructional equipment, benefits and special education tuition.

The foundation budget shown on this page may differ from the final number used in the formula, due to rounding error.

Town of Acton Multi-Year Financial Model

Summary Prepared for Annual Town Meeting by Board of Selectmen, School Committee and Finance Committee

1/14/2015

Town of Acton Revenues

A. Revenues (GROSS)

	FY15 Town Meeting	FY16	FY17	FY18
Tax Levy (excluding debt exclusion)	\$71,128	\$74,333	\$77,089	\$79,658
State Aid	\$13,865	\$14,299	\$14,456	\$14,614
Local Receipts	\$4,170	\$4,800	\$4,841	\$4,884
Debt Exclusion	\$2,947	\$2,911	\$2,852	\$2,831
SBAB Reimbursement	\$923	\$923	\$923	\$923
Total Revenues (including debt)	\$93,034	\$97,266	\$100,161	\$102,910

B. Debt Exclusion Debt Service

AFS School Debt Exclusion	\$611	\$588	\$559	\$552
Public Safety Facility Debt Exclusion	\$451	\$434	\$423	\$411
Municipal Debt Exclusion	\$230	\$222	\$201	\$185
JHS/SIS Debt Exclusion	\$1,576	\$1,590	\$1,670	\$1,682
SBAB Reimbursement-Parker/Daman	\$923	\$923	\$923	\$923
Total Debt Exclusion/SBAB	\$3,791	\$3,758	\$3,775	\$3,754

C. Available Town Revenues (NET) (A - B)

Town of Acton Expenditures

Total Acton Municipal Allocation	\$29,126	\$30,010	\$31,164	\$31,164
Percentage change year-to-year			3.00%	3.00%
Acton Portion of Annual ABRSD Budget	\$62,884	\$65,954	\$67,167	\$69,410
Final Assessment Shift Per Appendix A of Regional Agreement	(\$1,061)	(\$1,360)	(\$1,649)	(\$1,649)
Total Acton Contribution To ABRSD Budget	\$61,698	\$65,186	\$66,161	\$68,632
Less Regional Revenue	-\$13,584	-\$13,101	-\$12,676	-\$12,255
Add Roginal Debt	\$1,576	\$1,590	\$1,670	\$1,682
Net ABRSD ASSESSMENT	\$49,690	\$53,676	\$54,156	\$56,558
Percentage change year-to-year	4.78%	5.65%	1.50%	3.73%
Total Minuteman Allocation	\$758	\$919	\$948	\$977
Percentage change year-to-year	-8.26%	21.24%	3.13%	3.13%

D. Town of Acton Expenditures (NET)

	\$91,582	\$96,115	\$98,273	\$100,773
--	-----------------	-----------------	-----------------	------------------

E. Subtotal Town of Acton Projected Balance

	(\$2,340)	(\$2,607)	(\$1,887)	(\$1,616)
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F. Appropriation of Reserves (TOTAL)

	\$2,157	\$2,619	\$3,299	\$1,387
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G. Total Town of Acton Projected Balance

	(\$183)	\$12	\$1,412	(\$229)
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(* Annual Contributions Towards Long Term OPEB Liability

	\$1,100	\$1,249	\$1,700	\$2,300
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Town of Acton - Tax Impact

	FY15	FY16	FY17	FY18
Existing Valuation ('000s)	\$3,857,124	\$3,846,049	\$3,884,509	\$3,846,049
New Growth value ('000s)	\$48,733	\$47,011	\$31,137	\$29,141
Total Valuation ('000s)	\$3,905,857	\$3,893,060	\$3,915,646	\$3,875,190
Tax Rate	\$19.14	\$20.07	\$20.58	\$22.09
% Change in Tax Rate	-1.59%	4.85%	2.54%	2.98%
SF Value	\$531,639	\$520,546	\$520,546	\$520,546
% Change in SF Value	5.17%	-2.09%	0.00%	0.00%
SF Tax Bill	\$10,178	\$10,449	\$10,714	\$11,496
% Change in SF Tax Bill	3.50%	2.66%	2.54%	2.98%
\$ Change in SF Tax Bill	\$344.48	\$270.88	\$265.04	\$332.21

(* OPEB Contributions included in Budgets above

ALG PLAN TIE-OUT

	<u>FY16</u>		<u>FY15</u>		<u>\$ Change</u>	<u>% change</u>
Total revenue	97,266,000		93,034,000		4,232,000	4.55%
Add: Reserves	2,619,000		2,157,000		462,000	21.42%
Less: Regional revenue applied to assessment	<u>(13,101,000)</u>		<u>(13,584,000)</u>		483,000	-3.56%
Net Spending	86,784,000		81,607,000		5,177,000	6.34%
<u>Allocation to FY16 Budgets</u>						
ABRSD assessment	53,676,000	62%	49,690,145	61%	3,985,855	8.02%
Town of Acton	32,177,000	37%	31,341,000	38%	836,000	2.67%
Minuteman	<u>919,000</u>	<u>1%</u>	<u>758,000</u>	<u>1%</u>	161,000	21.24%
	86,772,000	100%	81,789,145	100%	4,982,855	6.09%
Net Position	12,000		(182,145)		194,145	

SOURCE = ALG SUMMARY TAB AND TOWN SCHOOL ALLOCATION TAB

ALG REVENUE CHANGE

	<u>FY16</u>	<u>FY15</u>	<u>\$ Change</u>	<u>% change</u>
Total revenue	97,266,000	93,034,000	4,232,000	4.55%
Tax Levy	74,333,000	71,128,000	3,205,000	4.51%
State Aid	14,299,000	13,865,000	434,000	3.13%
Local receipts	4,800,000	4,170,000	630,000	15.11%
Debt exclusion	2,911,000	2,947,000	(36,000)	-1.22%
SBAB reimbursement	<u>923,000</u>	<u>923,000</u>	<u>-</u>	<u>0.00%</u>
	97,266,000	93,033,000	4,233,000	4.55%

SOURCE = ALG SUMMARY TAB

TAX LEVY CHANGE

	<u>FY16</u>	<u>FY15</u>	<u>\$ increase</u>	<u>% increase</u>
Base	72,520,000	69,827,000	2,693,000	3.86%
Unused Levy Capacity	-	(692,000)	692,000	-100.00%
2 1/2%	1,813,000	1,746,000	67,000	3.84%
New Growth	900,000	946,000	(48,000)	-5.06%
Prior Year Overlay Deficit			-	
Overlay	<u>(900,000)</u>	<u>(700,000)</u>	<u>(200,000)</u>	<u>28.57%</u>
Total Tax Levy (excluding debt exclusion)	74,333,000	71,129,000	3,204,000	4.50%

SOURCE = TAX LEVY TAB

STATE AID CHANGE

	<u>FY16</u>	<u>FY15</u>	<u>\$ increase</u>	<u>% increase</u>
Cherry Sheet	1,097,000	1,086,000	11,000	1.0%
PROPOSED New Meals Tax .75%	270,000	-	270,000	
Regional Revenue (Acton Share)	<u>12,932,000</u>	<u>12,779,000</u>	<u>153,000</u>	<u>1.2%</u>
	14,299,000	13,865,000	434,000	3.1%

SOURCE = STATE AID TAB

LOCAL RECEIPT CHANGE

	<u>FY16</u>	<u>FY15</u>	<u>\$ increase</u>	<u>% increase</u>
Excise Taxes	3,100,000	2,800,000	300,000	10.7%
Fees	1,600,000	1,250,000	350,000	28.0%
Miscellaneous Non-Recurring	-	-	-	
Investment Income	<u>100,000</u>	<u>120,000</u>	<u>(20,000)</u>	<u>-16.7%</u>
	4,800,000	4,170,000	630,000	15.1%

SOURCE = LOCAL RECEIPTS TAB

ACTON HEALTH INSURANCE TRUST
Income Statement
For the Six Months Ending December 31, 2014

	Current Month		Year to Date	
Revenues				
BC MHP -EE	\$ 0.00	0.00	\$ 6,867.72	0.08
BC MHP-ABRSD EE	2,755.20	0.17	11,020.80	0.13
BC MHP- AP EE	4,342.65	0.27	19,004.62	0.22
BC MHP ABRSD 1/20 PAYS	0.00	0.00	(4,237.19)	(0.05)
BC MHP - AB ER	0.00	0.00	6,867.70	0.08
BC MHP-ABRSD ER	2,755.20	0.17	11,020.80	0.13
BC MHP - AP ER	2,824.65	0.17	12,932.61	0.15
NWB HMO -EE	0.00	0.00	103,485.77	1.21
NWB HMO-ABRSD EE	128,659.38	7.97	543,851.58	6.38
NWB HMO - AP EE	42,242.45	2.62	264,353.09	3.10
NWB HMO ABRSD 1/20 PAYS	0.00	0.00	(209,518.17)	(2.46)
NWB HMO - AB ER	0.00	0.00	311,795.42	3.66
NWB HMO-ABRSD ER	387,313.06	23.99	1,631,761.24	19.14
NWB HMO - AP ER	126,726.73	7.85	793,055.17	9.30
HPHC -EE	0.00	0.00	93,993.98	1.10
HPHC-ABRSD EE	122,682.27	7.60	530,873.82	6.23
HPHC -AP EE	37,321.24	2.31	219,077.92	2.57
HPHC ABRSD 1/20 PAYS	0.00	0.00	(209,964.11)	(2.46)
HPHC -AB ER	0.00	0.00	280,868.53	3.29
HPHC-ABRSD ER	362,880.40	22.48	1,577,750.25	18.50
HPHC -AP ER	111,963.28	6.93	657,231.52	7.71
BC RETIREE -EE	3,439.50	0.21	26,805.00	0.31
BC RETIREE -AP EE	8,838.50	0.55	57,477.00	0.67
BC RETIREE -ER	4,720.50	0.29	26,805.00	0.31
BC RETIREE -AP ER	11,007.50	0.68	58,995.00	0.69
NWB RETIREE -EE	10,920.00	0.68	74,294.00	0.87
NWB RETIREE -AP EE	22,662.50	1.40	148,249.50	1.74
NWB RETIREE -ER	12,183.50	0.75	75,036.00	0.88
NWB RETIREE -AP ER	24,490.50	1.52	147,921.50	1.73
HPHC RETIREE EE	2,005.50	0.12	10,619.00	0.12
HPHC RETIREE -AP EE	6,832.00	0.42	61,997.00	0.73
HPHC RETIREE ER	2,376.50	0.15	10,248.00	0.12
HPHC RETIREE -AP ER	9,359.00	0.58	61,997.00	0.73
MEDEX -EE	37,674.00	2.33	242,811.00	2.85
MEDEX -AP EE	39,572.00	2.45	245,919.72	2.88
MEDEX -ER	41,193.00	2.55	242,604.00	2.85
MEDEX -AP ER	42,884.00	2.66	245,462.72	2.88
REINSURANCE RECOVERY	0.00	0.00	3,926.31	0.05
OTHER INCOME	0.00	0.00	2,112.25	0.02
INTEREST INCOME	1,913.72	0.12	8,807.75	0.10
MEDICARE REIMBURSEMENT	0.00	0.00	122,048.86	1.43
Total Revenues	1,614,538.73	100.00	8,526,229.68	100.00
Gross Profit	1,614,538.73	100.00	8,526,229.68	100.00
Expenses				
BANK FEES & S/C	0.09	0.00	0.09	0.00
LEGAL & ACCOUNTING	2,000.00	0.12	9,000.00	0.11
OFFICE SUPPLIES & EXPENSES	0.00	0.00	49.00	0.00
TREASURY SERVICES	1,610.00	0.10	9,660.00	0.11
CONTRACTUAL SERVICES	3,666.50	0.23	26,500.00	0.31
REINSURANCE - IND.	10,684.80	0.66	64,108.80	0.75
REINSURANCE - FAMILY	53,295.45	3.30	319,772.70	3.75
HEALTH INS - BC MHP	25,800.00	1.60	155,283.83	1.82
HEALTH INS - NETWORK BLUE	585,300.00	36.25	3,520,992.79	41.30
HEALTH INS - BC MEDEX	155,500.00	9.63	935,419.15	10.97
HEALTH INS - HPHC	411,000.00	25.46	2,814,843.28	33.01
HPHC ADMINISTRATION FEES	32,502.44	2.01	199,662.61	2.34
Total Expenses	1,281,359.28	79.36	8,055,292.25	94.48

Restricted For Management's Use Only

ACTON HEALTH INSURANCE TRUST
Income Statement
For the Six Months Ending December 31, 2014

Net Income	\$	<u>Current Month</u> <u>333,179.45</u>	20.64	\$	<u>Year to Date</u> <u>470,937.43</u>	5.52
-------------------	----	---	-------	----	--	------

ACTON HEALTH INSURANCE TRUST
Balance Sheet
December 31, 2014

ASSETS

Current Assets		
Santander MM Savings	\$ 2,076,782.97	
Santander Checking	2,138,584.01	
Santander Money Market	1,792.39	
Citizens Bank - MM	108,311.14	
Citizens - Money Market	364,092.02	
Citizens - MM Savings	122,335.75	
A/R Reinsurance Claims	<u>(118,655.63)</u>	
Total Current Assets		4,693,242.65
Total Assets	\$	<u><u>4,693,242.65</u></u>

LIABILITIES AND CAPITAL

Current Liabilities		
IBNR	\$ 850,000.00	
Prepaid Revenue (12 mos)	386,057.36	
ABRSD Prepaid Revenue 1/20 pay	<u>423,719.47</u>	
Total Current Liabilities		1,659,776.83
Total Liabilities		<u>1,659,776.83</u>
Capital		
UNDESIGNATED FUND BALANCE	2,562,528.39	
Net Income	<u>470,937.43</u>	
Total Capital		<u>3,033,465.82</u>
Total Liabilities & Capital	\$	<u><u>4,693,242.65</u></u>



Bill Fraher, CPA

**ACTON HEALTH INSURANCE TRUST
FINANCIAL STATEMENTS AND MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2014 and 2013
WITH INDEPENDENT AUDITOR'S REPORT**

ACTON HEALTH INSURANCE TRUST
FINANCIAL STATEMENTS AND MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2014 and 2013

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Statement of revenues, expenses, and changes in net position 7

Statement of cash flows 8

Notes to financial statements 9



Bill Fraher, CPA
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Unit 225
Boston, MA 02118
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Fax: 617-830-9393
bfraher2877@aol.com

INDEPENDENT AUDITOR'S REPORT

To the Trustees of the
Acton Health Insurance Trust:

Report on the Financial Statements

I have audited the accompanying financial statements of the Acton Health Insurance Trust (the Trust), as of and for the years ended June 30, 2014 and 2013.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audits. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of a material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Acton Health Insurance Trust as of June 30, 2014 and 2013, and the changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 5 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Government Auditing Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements and other knowledge obtained during the audit of the financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide sufficient evidence to express an opinion or provide any assurance.

Management has omitted ten year claims development information that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Government Auditing Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic or historical context. My opinion on the financial statements is not affected by this missing information.



Bill Fraher, CPA
December 23, 2014

Acton Health Insurance Trust
Management's Discussion & Analysis
 June 30, 2014

The management of Acton Health Insurance Trust (the Trust) offers readers of our financial statements the following narrative overview and analysis of our financial activities for the fiscal year ending June 30, 2014. Please read this discussion and analysis in conjunction with the Trust's basic financial statements on the accompanying pages.

The Trust

The Health Insurance Trust offers a variety of health insurance products to employees and retirees of the general government and schools (K-6) of Acton and of the Acton-Boxborough Regional School District.

<u>Plan</u>	<u>FY 14</u> <u>Individuals</u>	<u>FY 14</u> <u>Families</u>	<u>FY 13</u> <u>Individuals</u>	<u>FY 13</u> <u>Families</u>
Blue Cross Master Health (Indemnity Plan)	10	3	10	4
Blue Cross Elect (PPO)	8	1	10	1
Blue Cross (HMO)	150	287	155	282
Harvard Pilgrim (HMO)	94	252	93	248
Blue Cross Medex (Medicare Supplement)	382	-	370	-
Medicare Plans (Premium Based)	<u>87</u>	-	<u>72</u>	-
Total	<u>731</u>	<u>543</u>	<u>710</u>	<u>535</u>

(Enrollment for FY 13 and for FY 14 from June Cash Flow Report)

Basic Financial Statements

The basic financial statements are prepared using the accrual basis of accounting. Revenues are recorded when received or earned and expenses are recorded when incurred. The basic financial statements include a statement of net position, a statement of revenues, expenses and changes in net position; a statement of cash flows and notes to the financial statements.

The statement of net position presents information on the assets and liabilities of the Trust, with the difference being reported as net position.

The statement of revenues, expenses, and changes in net position reports the operating and non-operating revenues and expenses of the Trust for the fiscal year 2014. The net result of these activities combined with the beginning of the year net position reconciles to the net position at the end of the current fiscal year. Health insurance claims and administrative charges are presented net of reimbursements received from reinsurance.

Acton Health Insurance Trust
Management's Discussion & Analysis
June 30, 2014

The statement of cash flows reports the changes in cash for the year resulting from operating and investing activities. Cash at the end of the year is the net result of changes in cash for the year when added to the balance of cash at the beginning of the year.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements follow the basic financial statements described above.

Financial Highlights

- Revenues in the form of participant contributions and intergovernmental receipts rose in FY 14 to \$14,823,830 compared to \$13,718,280 in FY 13, an increase of 8.1%. Revenue from the federal government was \$145,877 from Medicare part D, which was \$19,087 less than in FY 13.
- Health claims and administration charges in FY 14 were \$13,865,732, an increase of \$11,424 compared to FY 13. This was an increase of less than 1 percent. Total operating expenses (including the cost of stop-loss insurance and consulting services) were \$14,573,052, an increase of 0.7 percent compared to FY 13.
- Assets exceeded liabilities by \$2,562,528 at the end of the fiscal year. This did not include funds (IBNR) held to pay claims incurred during fiscal 14 but not yet submitted to the Trust for payments.
- For the year ended June 30, 2014, net position increased by \$262,920. This largely reflects the operating income of \$250,778. This profit and subsequent increase in net position represented a reversal of last year's situation.
- Net assets as a percentage of operating expenses were 17.6% at the close of FY 14, slightly higher than in the previous year.

Actuarial Assumptions

Each year the Trustees make actuarial assumptions to project annual claims costs for each health plan. These are on a per member/per month basis. The Trust establishes rates on a plan by plan basis, though it treats the two HMO plans as if they were a single plan.

Beginning in FY 05 the Trustees attempted to establish rates that would fund anticipated costs. Extraordinary claims costs led to a deficit in FY 05. In FY 07 the Trustees increased rates to cover not only expenses but also to begin to rebuild net position. This continued in FY 08. In FY 09 and FY 10 the increased rates were designed to only cover increased expenses while the forecast for FY 13 had been for a modest decrease in net position to counter the previous year's unexpected increase in net position. That the decline was much larger than expected reflects an overly optimistic expectation of the impact on the Trust's finances stemming from the agreement with employees for their paying a greater proportion of the "premiums" and a standardized system for co-pays, as well as significant claims for a number of members' claims which did not reach the threshold for re-insurance. Rates for FY 14 were designed to stabilize the ratio o

Acton Health Insurance Trust
Management's Discussion & Analysis
June 30, 2014

Condensed Financial Information

Acton Health Insurance Trust
Comparative Summary
2013 to 2014

	2014	2013	Change	% Change
Cash	4,726,588	\$3,818,978	\$907,610	23.8
Other Assets	735,967	790,942	(54,975)	(7.0)
Total Assets	5,462,555	4,609,920	852,635	18.5
Claims liabilities	850,000	850,000	-	-
Other current liabilities	2,050,027	1,460,312	589,715	40.4
Total Liabilities	2,900,027	2,310,312	589,715	25.5
Unrestricted net position	2,562,528	2,299,606	262,920	11.4
Member contributions	14,677,953	13,553,316	1,124,637	8.3
Medicare Part D & ERRP	145,877	164,964	(19,087)	(11.6)
Claims expense	13,865,732	13,854,308	11,424	0.1
Other expenses	707,320	611,065	96,255	15.8
Operating income	250,778	(747,093)	997,871	133.6
Investment income	12,142	15,540	(3,398)	(21.9)
Change in net position	\$262,920	\$(731,553)	\$994,473	135.9

Economic Factors Affecting the Subsequent Year

The Trust is operating in an environment of continuing rapid changes in health care costs and health insurance plans. The advent of the Affordable Care Act will present the Trust with unknown issues. The Trust will attempt to anticipate their impact rather than just react.

Requests for information

This financial report is intended to provide an overview of the finances of the Trust. Any questions concerning this report, or for additional information, please contact the Trust's Chair, Robert Evans Jr., or through the Treasurer of the Acton-Boxborough Regional District School System at 978-264-4700.

ACTON HEALTH INSURANCE TRUST

Statement of Net Position

June 30, 2014 and 2013

	2014	2013
	<u>Total</u>	<u>Total</u>
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents	\$ 4,726,588	\$ 3,818,978
Receivables:		
Member accounts	2,195	-
Reinsurance claims	452,804	14,564
Total receivables	454,999	14,564
Prepaid expenses	280,968	776,378
Total assets	<u>\$ 5,462,555</u>	<u>\$ 4,609,920</u>
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts payable	472,788	825
Claims liabilities	850,000	850,000
Participants' advance contributions	1,577,239	1,459,487
Total liabilities	<u>2,900,027</u>	<u>2,310,312</u>
<u>NET POSITION</u>		
Unrestricted	2,562,528	2,299,608
Total net position	<u>2,562,528</u>	<u>2,299,608</u>
Total liabilities and net position	<u>\$ 5,462,555</u>	<u>\$ 4,609,920</u>

See the accompanying notes to the financial statements.

ACTON HEALTH INSURANCE TRUST
Statement of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2014 and 2013

	2014	2013
	<u>Total</u>	<u>Total</u>
Operating revenues:		
Participants' contributions	\$ 14,677,953	\$ 13,553,316
Intergovernmental revenue - Medicare Part D	<u>145,877</u>	<u>164,964</u>
Total operating revenues	<u>14,823,830</u>	<u>13,718,280</u>
Operating expenses:		
Health claims and administration charges	13,865,732	13,854,308
Stop loss insurance premiums	627,725	535,540
Consulting services and other	<u>79,595</u>	<u>75,525</u>
Total operating expenses	<u>14,573,052</u>	<u>14,465,373</u>
Operating income (loss)	250,778	(747,093)
Nonoperating revenues:		
Investment income	<u>12,142</u>	<u>15,540</u>
Changes in net position	262,920	(731,553)
Net position, beginning of year	<u>2,299,608</u>	<u>3,031,161</u>
Net position, end of year	<u>\$ 2,562,528</u>	<u>\$ 2,299,608</u>

See the accompanying notes to the financial statements.

ACTON HEALTH INSURANCE TRUST

Statement of Cash Flows

Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Cash received from participants	\$ 14,939,387	\$ 13,788,994
Cash paid to insurance providers and other vendors	<u>(14,043,919)</u>	<u>(15,432,298)</u>
Net cash provided (used) by operating activities	<u>895,468</u>	<u>(1,643,304)</u>
Cash flows from investing activities:		
Interest on deposits	<u>12,142</u>	<u>15,540</u>
Net cash provided by investing activities	<u>12,142</u>	<u>15,540</u>
Net increase (decrease) in cash	907,610	(1,627,764)
Cash, beginning of year	<u>3,818,978</u>	<u>5,446,742</u>
Cash, end of year	<u><u>\$4,726,588</u></u>	<u><u>\$3,818,978</u></u>
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income (loss)	\$250,778	(\$747,093)
Changes in operating assets and liabilities:		
Accounts receivable	(2,195)	-
Prepaid expenses	495,410	(776,378)
Accounts payable	471,963	(1,341,649)
Reinsurance receivable	(438,240)	2,151,102
Claims liabilities	-	(1,000,000)
Participant advanced contributions	<u>117,752</u>	<u>70,714</u>
Net cash provided (used) by operating activities	<u><u>\$895,468</u></u>	<u><u>(\$1,643,304)</u></u>

See the accompanying notes to the financial statements.

ACTON HEALTH INSURANCE TRUST

Notes to Financial Statements

June 30, 2014 and 2013

Note 1. Organization

The Acton Health Insurance Trust (the Trust) Acton, Massachusetts, is a Massachusetts Municipal Joint Health Insurance Purchase Trust formed pursuant to Massachusetts General Laws, Chapter 32B, Section 12 and Chapter 40, Section 4A under a certain joint purchase agreement which became effective in July 2003. As a governmental entity, the Trust is not subject to the provisions of the Employee Retirement Income Security Act of 1974 nor is it subject to federal and state income taxes.

The Trust offers health benefits to all eligible employees and retirees of its two participating governmental units, the Town of Acton and the Acton-Boxborough Regional School District. The number of subscribers in the self-funded medical plans was 1,185 at June 30, 2014 and 1,170 at June 30, 2013.

Governmental units may apply for membership and be added to the Trust, commencing on a date mutually agreed upon, provided that no less than two-thirds of the Board representatives present at a duly called meeting of the Board vote to accept such additional participants.

Any participating governmental unit may withdraw participation at its discretion. A governmental unit that elects to terminate participation in the Trust must notify the Trustees of such intent to withdraw 60 days prior to the end of the fiscal year, to be effective at the end of the fiscal year.

There is no liability for premium or administrative expense following the effective date of termination of a participating governmental unit's coverage under a contract purchased through the Trust except for the governmental unit's proportionate share of any deficit in the Trust as of its termination date, or of any premium expense or any subsequent expense for its covered individuals continued on the plan after termination. Any net position is apportioned to the terminating member on a pro rata basis.

Contributions to the Trust's trust fund from participating governmental units are on a monthly basis. The payment is calculated by the Board and is determined to be 100% of the cost of coverage of the Trust as a whole (including, but not limited to, anticipated incurred claims, retention, risk, and Trust administration expenses) as established through underwriting and/or actuarial estimates.

The Trust's plans consist of a traditional medical indemnity program with Blue Cross/Blue Shield of Massachusetts, an Exclusive Provider Organization plan with Harvard Pilgrim Health Care and Blue Cross/Blue Shield and an Optional Medicare Extension plan with Blue Cross/Blue Shield. All of these plans are self-funded. Medicare plans with Harvard Pilgrim Health Care and Tufts Health Care are premium based plans.

The Trust has a specific excess medical reinsurance contract with an insurance carrier covering claims paid in excess of \$125,000, without a lifetime maximum amount payable. The policy covers claims incurred, on a yearly basis, within twelve months and paid within twenty four months. Amounts recoverable through reinsurance are recorded as a receivable and a reduction of claims expense.

The Trust employs the services of Cook & Company, Marshfield, Massachusetts, to provide certain management, consulting, and technical functions and to review medical claims paid. The current agreement with Cook & Company is for a one-year term ending June 30, 2015, and provides for an annual fee based on the number of subscribers. The Trust also employs the Certified Public Accounting firm of Borgatti Harrison & Co. to provide Treasury services under a contract that expires June 30, 2015.

ACTON HEALTH INSURANCE TRUST

Notes to Financial Statements

June 30, 2014 and 2013

Note 2. Summary of Significant Accounting Policies

Financial statements present net position at June 30, 2014 and 2013 and revenues, expenses, and changes in net position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America, which recognize revenues from contributions and earnings when earned and expenditures when liabilities are incurred.

Contributions to the plans from participating governmental units are determined annually for the next fiscal year based on current operating results and estimated program costs for that year. Participants make contributions approximately twice a month in conjunction with related employee payrolls. Participant advance contributions are recorded as liabilities until earned.

Cash and Cash Equivalents

Generally, the Trust is authorized to invest in the following investments: term deposits or certificates of deposit, trust companies, national banks, savings banks or banking companies, or obligations issued or unconditionally guaranteed by the United States Government or an agency thereof and having a maturity from date of purchase of one year or less with certain other limitations, or such securities as are legal for the investment of funds of savings banks under the bank's laws of the Commonwealth of Massachusetts based on a legal opinion received by the Trust.

Cash and cash equivalents consist of cash on hand and cash in checking, savings, money market or certificate of deposit accounts.

Claims' Liabilities

The Trust's obligations include estimated health claims incurred but not reported at June 30th. The Trust uses the latest reported claims to record the Trust's payable of reported claims and to estimate health claims incurred but not reported as of that date. Actual claims reported differ from claims estimated, but the stop-loss coverage minimizes the risk of a significant difference. Claims' liabilities are reviewed periodically using claims data adjusted for the Trust's current experience. Adjustments to claims' liabilities are charged or credited to expense in the periods in which they are made.

Reinsurance

The Trust does not include reinsured risks as liabilities unless it is probable that those risks will not be covered by the reinsurer. Amounts recoverable through reinsurers on paid claims are classified as receivable and as a reduction of claims expense.

Advanced Contributions

The Trust collects some participant contributions in advance of the month they are due. At the end of the year, this amount can be significant as it includes contributions from teaching employees for the months of July and August. At the end of the year, any amounts collected by the Trust that relate to contributions for the subsequent year are reported as advanced contributions (liabilities) in the financial statements.

ACTON HEALTH INSURANCE TRUST
Notes to Financial Statements
June 30, 2014 and 2013

Note 2. Summary of Significant Accounting Policies (continued)

Prepaid Expenses and Accounts Payable

Prepaid expenses and accounts payable consist primarily of amounts either paid in advance or due to insurance providers for the final quarter of the fiscal year. The Trust pays an estimated amount each month to insurance providers and a quarterly settlement calculates any amounts prepaid or due based on actual claims paid in the quarter.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results will differ from estimates.

Note 3. Cash, Cash Equivalents, and Investments

The Trust maintains deposits in authorized financial institutions. In the case of deposits, custodial credit risk is the risk that in the event of a bank failure, the Trust's deposits may not be returned. The Trust does not have a formal deposit policy for custodial credit risk. At June 30, 2014 deposits in the financial institution totaled \$4,726,870 and had a carrying amount of \$4,726,588. Of the deposit amounts at June 30, 2014, \$500,000 was covered by FDIC insurance, leaving \$4,226,870 exposed to custodial credit risk because it was uninsured and uncollateralized. At June 30, 2013 deposits in the financial institution totaled \$3,701,363 and had a carrying amount of \$3,818,978. Of the deposit amounts at June 30, 2013, \$1,263,134 was covered by FDIC insurance, leaving \$2,438,229 exposed to custodial credit risk because it was uninsured and uncollateralized. The difference between deposit amounts and carrying amounts generally represents outstanding checks and deposits in transit.

Note 4. Unpaid Claims

The Trust establishes a liability for both reported and unreported incurred events which includes estimates of both future payments of losses and related adjustment expenses, if any. The following represents changes in claims liabilities during the years ended June 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Unpaid claims and claims administration expenses – beginning of year	\$ 850,000	\$ 3,192,474
Incurred claims and claims administration expenses:		
Provision for insured events and admin. expenses - current fiscal year	13,906,804	13,854,308
Increase (decrease) in provision for insured events of prior fiscal years	<u>(41,072)</u>	=
	<u>13,865,732</u>	<u>13,854,308</u>
Payments:		
Claims and expenses attributable to insured events – current year	(12,584,016)	(13,004,308)
Claims and expenses attributable to insured events – prior years	<u>(808,928)</u>	<u>(3,192,474)</u>
	<u>(13,392,944)</u>	<u>(16,196,782)</u>
Total unpaid claims and claims adjustment expenses – end of year	<u>\$ 1,322,788</u>	<u>\$ 850,000</u>



COOK COMPANY - HEALTH PLAN MANAGEMENT GROUP

1025 Plain Street, P.O. Box 1068

Marshfield MA 02050 (781) 837-7300

ACTON

**CASH FLOW SUMMARY REVIEW
FOR THE PERIOD OF JULY 2014 THROUGH JUNE 2015**

Month	Ind.	Fam.	Paid Claims	Admin. Fee	'Reinsurance Premiums	Other Costs	Total Costs	*Contribution To Trust	Variance	Level Monthly	Coverage: COMBINED
JUL	278	576	978,600	77,609	67,743	(27,843)	1,096,109	1,412,048	315,939	0	Type of Reinsurance: SPECIFIC
AUG	277	573	1,474,699	77,477	67,409	(343,186)	1,276,398	1,406,779	130,381	0	Reinsurance Carrier: BCBS
SEP	276	565	1,308,093	77,723	66,583	(56,607)	1,395,792	1,394,939	(853)	0	Reinsurance Level: 125k-2 Lase
OCT	282	571	1,539,541	77,540	67,414	(23,136)	1,649,474	1,410,640	(238,834)	0	W.C. Carrier: MIA
NOV	284	574	1,493,348	78,327	67,789	(4,919)	1,626,554	1,417,479	(209,075)	0	Reinsurance: Ind 40.32 Fam 98.15
DEC	284	570	1,314,398	77,206	67,396	(123,523)	1,362,445	1,410,339	47,894	0	Funding Rate: variable
JAN	0	0	0	0	0	(188,358)	0	0	0	0	Funding -Employer%: variable
FEB											Employee %: variable
MAR											Employee \$: 0
APR											Level Monthly: 1,272,700
MAY											Administrative Fee: variable
JUN											21-23: No
TOTALS			8,108,679	465,881	404,334	(767,573)	8,406,773	8,452,224	45,451	0	

PROJECTIONS: 0

ORIGINAL	276	575	14,824,654	928,919	810,390	170,000	16,733,963	16,896,037	162,074
REVISED	282	571	15,521,006	929,114	808,713	(767,573)	16,491,260	16,914,258	422,998

OTHER COSTS

CASH FLOW REMARKS	Contacts	Telephone	Ext
	Executive: Bob Evans	978-263-5557	
	Coordinator: Margaret Dennehy	978-264-4700	3210
	Other: Mary Brolin		
	Mike Gowing	978-264-0927	Home
	Stephen Barrett	978-929-6621	
		978-264-4700	3205
	BC Rep Tanya Chakmakian	617-246-5742	
	HPHCR Rep David Kieser	800-848-9995	32223
	ACSI:	18,199.34	



COOK & COMPANY - HEALTH PLAN MANAGEMENT GROUP

1025 Plain Street, P.O. Box 1068

Marshfield, MA 02050 (781) 837-7300

ACTON
CASH FLOW SUMMARY REVIEW
FOR THE PERIOD OF JULY 2014 THROUGH JUNE 2015

Month	Ind.	Fam.	Paid Claims	Admnl. Fee	Reinsurance Premiums	Other Costs	Total Costs	*Contribution To Trust	Variance	Level Monthly	Coverage: MASTER HEALTH PLUS
JUL	11	3	12,880	1,075	738	126	14,819	27,630	12,811		Type of Reinsurance: SPECIFIC
AUG	11	3	17,847	1,075	738	0	19,660	27,630	7,970		Reinsurance Carrier: BCBS
SEP	12	2	18,733	1,075	680	(1,208)	19,280	25,504	6,224		Reinsurance Level: 125k-2 Lase
OCT	12	2	23,070	1,075	680	(23)	24,802	25,504	702		W.C. Carrier: MIA
NOV	12	2	137,331	1,075	680	0	139,085	25,504	(113,581)		Reinsurance: Ind Fam
DEC	12	2	10,005	1,075	680	0	11,760	25,504	13,744		Funding Rate: 40.32 98.15
JAN						(37,124)					Funding -Employer%: 1,518.00 3,644.00
FEB											Employee %: 50.00
MAR											Employee \$: 0 0
APR											LEVEL MO.: 18,500
MAY											Administrative Fee: \$76.76
JUN											21-23 No
TOTALS			219,866	6,448	4,197	(38,229)	229,405	157,276	(72,129)	0	

PROJECTIONS:

ORIGINAL	10	3	252,000	12,900	7,986	5,900	278,786	313,344	34,558	
REVISED	12	2	345,866	12,896	8,277	(38,229)	328,810	310,300	(18,510)	

OTHER COSTS

	Amount	Contacts	Telephone	Ext
C&C+ treasurer	5,400	Executive: Bob Evans	978-263-5557	
ACA	500	Coordinator: Margaret Dennehy	978-264-4700	3210
Claim Recovery Fees-Jul, Sep, Oct		Other: Mary Brolin		
Recovery checks-Jan		Mike Gowing	978-264-0921	Home
		Stephen Barrett	978-929-6621	
		BC Rep Tanya Chakmakian	978-264-4700	3205
		HPHC Rep David Kieser	617-246-5742	
			800-848-9995	32223

CASH FLOW REMARKS

ACSI: 24,704.69



COOK & COMPANY - HEALTH PLAN MANAGEMENT GROUP
 1025 Plain Street, P.O. Box 1068
 Marshfield, MA 02050 (781) 837-7300

ACTON
CASH FLOW SUMMARY REVIEW
FOR THE PERIOD OF JULY 2014 THROUGH JUNE 2015

Month	Ind.	Fam.	Paid	Admin.	Reinsurance	Other	Total	*Contribution	Level	Monthly	Coverage: Blue Care Elect		
			Claims	Fee	Premiums	Costs	Costs	To Trust			Variance	Type of Reinsurance	SPECIFIC
JUL	6	1	10,016	580	340	0	10,936	10,760	(176)		Reinsurance Carrier	BCBS	COOK
AUG	6	1	9,966	580	340	0	10,886	10,760	(126)		Reinsurance Level	125k-2 Lase	12/24
SEP	7	1	15,866	580	380	0	16,826	12,041	(4,785)		W.C. Carrier:	MIA	
OCT	8	1	4,555	653	421	0	5,628	13,322	7,694			Ind	Fam
NOV	8	1	1,918	653	421	0	2,991	13,322	10,331		Reinsurance:	40.32	98.15
DEC	8	1	3,775	653	421	0	4,849	13,322	8,473		Funding Rate	1,281.00	3,074.00
JAN											Funding -Employer%	50.00	
FEB											Employee %	50.00	
MAR											Employee \$:	0	0
APR											LEVEL MO.	9,800	
MAY											Administrative Fee:	\$72.52	
JUN											21-23	No	
TOTALS			46,096	3,699	2,323	0	52,117	73,527	21,410	0			

PROJECTIONS:

ORIGINAL	6	1	114,385	6,092	4,081	3,800	128,358	129,120	762				
REVISED	8	1	103,288	7,615	4,847	0	115,750	153,459	37,709				

OTHER COSTS

C&C+ treasurer	3,600												
ACA	200												

	Contacts	Telephone	Ext
Executive:	Bob Evans	978-263-5557	
Coordinator:	Margaret Dennehy	978-264-470	3210
Other:	Mary Brolin		
	Mike Gowing	978-264-092	Home
	Stephen Barrett	978-929-6621	
		978-264-470	3205
BC Rep	Tanya Chakmakian	617-246-5742	
HPHCRep	David Kieser	800-848-9995	32223

CASH FLOW REMARKS

ACSI: 12,033.58



COOK & COMPANY - HEALTH PLAN MANAGEMENT GROUP
 1025 Plain Street, P.O. Box 1068
 Marshfield, MA 02050 (781) 837-7300

ACTON
CASH FLOW SUMMARY REVIEW
FOR THE PERIOD OF JULY 2014 THROUGH JUNE 2015

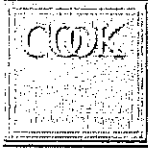
Month	Ind.	Fam.	Paid Claims	Admin. Fee	'Reinsurance Premiums	Other Costs	Total Costs	*Contribution To Trust	Variance	Level Monthly	Coverage: Network Blue
JUL	159	297	483,369	33,214	35,561	(27,969)	524,176	648,123	123,947		Type of Reinsurance: BCBS
AUG	158	296	813,523	32,997	35,423	(45,701)	836,242	645,596	(190,646)		Reinsurance Carrier: MIA
SEP	156	293	375,992	33,359	35,048	(52,579)	391,820	638,757	246,937		Reinsurance Level: 125k-2 Lase
OCT	164	297	896,260	33,577	35,763	(22,373)	943,227	651,833	(291,394)		W.C. Carrier: MIA
NOV	164	299	620,235	33,577	35,959	(3,116)	686,655	655,403	(31,252)		Ind: 40.32, Fam: 98.15
DEC	165	297	574,860	33,432	35,803	(71,678)	572,416	652,575	80,159		Funding Rate: 742.00, 1,785.00
JAN						(63,401)					Funding -Employer%: 75.00
FEB											Employee %: 25.00
MAR											Employee \$: 0
APR											LEVEL MO.: 670,300
MAY											Administrative Fee: \$72.52
JUN											21-23: No
TOTALS			3,764,238	200,155	213,558	(286,817)	3,954,536	3,892,287	(62,249)	0	

PROJECTIONS:

ORIGINAL	158	296	7,309,719	395,089	425,076	83,900	8,213,784	7,747,152	(466,632)
REVISED	163	297	7,419,098	400,746	428,378	(286,817)	7,961,405	7,807,737	(153,668)

OTHER COSTS	Contacts	Telephone	Ext
C&C+ treasurer 40,500	Executive: Bob Evans	978-263-5557	
ACA 43,400	Coordinator: Margaret Dennehy	978-264-470	3210
Recovery checks-Jul,Aug,Sep,Oct,Nov,Dec,Jan	Other: Mary Broin		
Claim Recovery Fees-Jul,Aug,Sep,Oct,Nov,Dec	Mike Gowing	978-264-092	Home
State Fees-Jul,Nov	Stephen Barrett	978-929-6621	
Member based r Other Party Liab.-Dec		978-264-470	3205
CASH FLOW REMARKS	BC Rep Tanya Chakmakian	617-246-5742	
	HPHCRep David Kleser	800-848-9995	32223

ACSI: 16,137.24



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 Marshfield, MA 02050 (781) 837-7300

ACTON
CASH FLOW SUMMARY REVIEW
FOR THE PERIOD OF JULY 2014 THROUGH JUNE 2015

Month	Ind.	Fam.	Paid	Admin.	*Reinsurance	Other	Total	*Contribution	Level Monthly	Coverage: HARVARD PILGRIM		
			Claims	Fee	Premiums	Costs	Costs	To Trust		Variance	Type of Reinsurance	Carrier
JUL	102	275	346,738	33,531	31,104	0	411,373	566,559	155,186	Reinsurance Level	125k-2 Lase	12/24
AUG	102	273	485,988	33,594	30,908	(297,485)	253,004	562,989	309,985	W.C. Carrier:	MIIA	
SEP	101	269	749,117	33,189	30,475	(2,821)	809,960	555,107	(254,853)	Reinsurance:	Ind	Fam
OCT	98	271	455,386	32,715	30,550	(741)	517,911	556,451	38,540	Funding Rate	40.32	98.15
NOV	100	272	577,416	33,575	30,729	(1,803)	639,916	559,720	(80,196)	Funding -Employer%	742.00	1,785.00
DEC	99	270	604,364	32,502	30,492	(51,844)	615,515	555,408	(60,107)	Employee %	75.00	
JAN						(87,833)				Employee \$:	25.00	
FEB										Level Monthly	411,000	
MAR										Administrative Fee:	41.33	107.46
APR										21-23	No	
MAY												
JUN												
TOTALS			3,219,009	199,107	184,257	(442,527)	3,247,679	3,356,234	108,555	0		

PROJECTIONS:

ORIGINAL	102	275	5,392,959	405,206	373,247	67,400	6,238,812	6,798,709	559,897		
REVISED	100	271	5,915,489	394,122	367,210	(442,527)	6,234,293	6,688,682	454,389		

OTHER COSTS

C&C+ treasurer	31,500										
ACA	35,900										
Recovery Checks-Aug, Sep, Oct, Nov, Dec, Jan											

		Contacts	Telephone	Ext
Executive:	Bob Evans		978-263-5557	
Coordinator:	Margaret Dennehy		978-264-470	3210
Other:	Mary Brolin			
	Mike Gowing		978-264-092	Home
	Stephen Barrett		978-929-6621	
			978-264-470	3205
BC Rep	Tanya Chakmakian		617-246-5742	
HPHCRep	David Kieser		800-848-999	32223

CASH FLOW REMARKS

ACSI: 15,966.23



COOK & COMPANY - HEALTH PLAN MANAGEMENT GROUP
 1025 Plain Street, P.O. Box 1068
 Marshfield MA 02050 (781) 837-7300

ACTON
CASH FLOW SUMMARY REVIEW
 FOR THE PERIOD OF JULY 2014 THROUGH JUNE 2015

Month	Ind.	Fam.	Paid Claims	Admin. Fee	*Reinsurance Premiums	Other Costs	Total Costs	*Contribution To Trust	Variance	Level Monthly	Coverage: MEDEX
JUL	384		125,596	9,208	0	0	134,805	158,976	24,171		Type of Reinsurance: N/A
AUG	386		147,375	9,232	0	0	156,607	159,804	3,197		Reinsurance Carrier: N/A
SEP	395		148,386	9,520	0	0	157,906	163,530	5,624		Reinsurance Level: N/A
OCT	397		160,270	9,520	0	0	157,906	163,530	5,624		W.C. Carrier:
NOV	398		156,449	9,448	0	0	157,906	163,530	5,624		Ind
DEC	398		121,394	9,544	0	0	157,906	163,530	5,624		Fam
JAN											Reinsurance:
FEB											Funding Rate: 414.00
MAR											Funding -Employer%: 50.00
APR											Employee %: 50.00
MAY											Employee \$: 0
JUN											LEVEL MO.: 163,100
TOTALS			859,470	56,473	0	0	923,036	972,900	49,864	0	Administrative Fee: \$23.98
PROJECTIONS:											21-23 No
ORIGINAL	384		1,755,591	109,632		9,000	1,874,223	1,907,712	33,489		
REVISED	396	-	1,737,265	113,737	0	0	1,851,002	1,954,080	103,078		

OTHER COSTS	Contacts	Telephone	Ext
C&C+ treasurer 9,000	Executive: Bob Evans	978-263-5557	
	Coordinator: Margaret Dennehy	978-264-4700	3210
	Other: Mary Brolin		
	Mike Gowing	978-264-0921	Home
	Stephen Barrett	978-929-6621	
		978-264-4700	3205
	BC Rep Tanya Chakmakian	617-246-5742	
	HPHCRep David Kieser	800-848-9991	32223
CASH FLOW REMARKS			
	ACSI:	4,392.58	

**ACTON HEALTH INSURANCE TRUST
FY 2015**

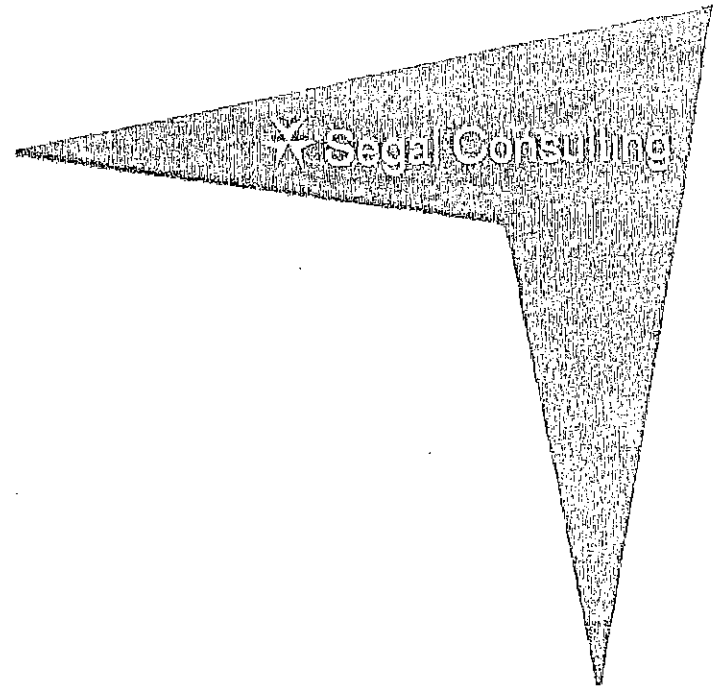
Month	MHP Claims	Admin	BI Care EI Claims	Admin	HMO Blue Claims	Admin	Medex Claims	Admin	HPHC	Total	Level Monthly	Variance
Jul 14	12,880	1,075	10,016	580	483,369	33,214	125,596	9,208	346,738	1,022,676	1,272,700	250,024
Aug 14	17,847	1,075	9,966	580	813,523	32,997	147,375	9,232	485,988	1,518,583	1,272,700	(245,863)
Sep 14	18,733	1,075	15,866	580	375,992	33,359	148,386	9,520	749,117	1,352,628	1,272,700	(79,928)
1st Qrt	49,460	3,225	35,848	1,740	1,672,884	99,570	421,357	27,960	1,581,843	3,893,887	3,818,100	(75,787)
Oct 14	23,070	1,075	4,555	653	896,260	33,577	160,270	9,520	455,386	1,584,366	1,272,700	(311,666)
Nov 14	137,331	1,075	1,918	653	620,235	33,577	156,449	9,448	577,416	1,538,102	1,272,700	(265,402)
Dec 14	10,005	1,075	3,775	653	574,860	33,432	121,394	9,544	604,364	1,359,102	1,272,700	(86,402)
2nd Qrt	170,406	3,225	10,248	1,959	2,091,355	100,586	438,113	28,512	1,637,166	4,481,570	3,818,100	(663,470)
Jan 15												0
Feb 15												0
Mar 15												0
3rd Qrt	0	0	0	0	0	0	0	0	0	0	0	0
Apr 15										0		0
May 15										0		0
Jun 15										0		0
4th Qrt	0	0	0	0	0	0	0	0	0	0	0	0
Total	219,866	6,450	46,096	3,699	3,764,239	200,156	859,470	56,472	3,219,009	8,375,457	7,636,200	(739,257)

Level Monthly

	FY 2015
MHP	18,500
BI Care EI	9,800
HMO Blue	670,300
HPHC	411,000
Medex	163,100
Total	1,272,700

**Acton-Boxborough Regional
School District and
Town of Acton**

**Actuarial Valuation and Review of Other
Postemployment Benefits (OPEB) as of
December 31, 2012 in accordance with GASB
Statements No. 43 and No. 45**



 Segal Consulting

116 Huntington Ave., 8th Floor Boston, MA 02116
T 617.424.7300 F 617.424.7390 www.segalco.com

July 31, 2013

Stephen Barrett, CPA
Finance Director
Town of Acton
472 Main Street
Acton, MA 01720

Mr. Donald Aicardi
Director of Finance
Acton-Boxborough Regional School District
16 Charter Road
Acton, MA 01720-2995

Dear Mr. Barrett and Mr. Aicardi:

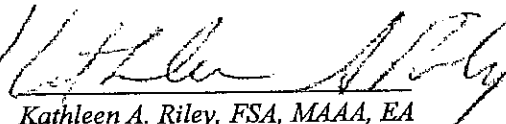
We are pleased to submit this report on our actuarial valuation of postemployment welfare benefits as of December 31, 2012 under GASB Statements Number 43 and 45. It establishes the liabilities of the postemployment welfare benefit plan in accordance with GASB Statements Number 43 and 45 for the fiscal year beginning July 1, 2012 and summarizes the actuarial data.

This report is based on information received from the Acton-Boxborough Regional School District and the Town of Acton. The actuarial projections were based on the assumptions and methods described in Exhibit II and on the plan of benefits as summarized in Exhibit III.

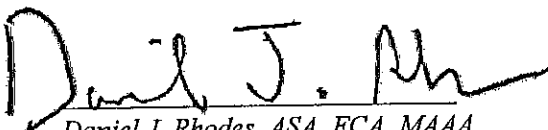
We look forward to discussing this material with you at your convenience.

Sincerely,

THE SEGAL COMPANY

By: 
Kathleen A. Riley, FSA, MAAA, EA
Senior Vice President and Actuary

7833281v2/04036.023


Daniel J. Rhodes, ASA, FCA, MAAA
Vice President and Consulting Actuary

SECTION 1

EXECUTIVE SUMMARY

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**SECTION 1: Introduction for Acton-Boxborough Regional School District and Town of Acton December 31, 2012
Measurement under GASB**

PURPOSE

This report presents the results of our actuarial valuation of the Acton-Boxborough Regional School District and the Town of Acton (the "Employers") postemployment welfare benefit plan as of December 31, 2012. The results are in accordance with the Governmental Accounting Standards, which prescribe an accrual methodology for accumulating the value of other postemployment benefits (OPEB) over participants' active working lifetimes. The accounting standard supplements cash accounting, under which the expense for postemployment benefits is equal to benefit and administrative costs paid on behalf of retirees and their dependents (*i.e.*, a pay-as-you-go basis).

HIGHLIGHTS OF THE VALUATION

During the fiscal year ending June 30, 2013, we project the School District will pay benefits (net of retiree contributions) on behalf of retired employees of about \$910,000 and the Town will pay about \$1,119,000. This amount is less than the annual "cost" (the "Annual Required Contribution", or ARC) of \$2,076,000 for the School District and \$2,594,000 for the Town.

The School District and the Town have established OPEB trusts, through which assets are accumulated and benefits are paid as they come due. Employer contributions to the trust are irrevocable, trust assets are dedicated to providing benefits to retirees and their spouses in accordance with the terms of the plan, and trust assets are legally protected from creditors of the employer.

Chapter 68 of the Acts of 2011 permits municipalities, authorities and certain other government entities of the Commonwealth to establish a liability trust fund for funding

retiree benefits (other than pension), also known as Other Post-Employment Benefits (OPEB). The legislation also ensures that these entities have access to the state's investment trust, the State Retiree Benefits Trust Fund (SRBTF) for purposes of investment OPEB funds.

The Town of Acton has established an OPEB Trust Fund, which includes \$310,000 in assets maintained by the SRBTF, transferred in June 2013. The Town plans to contribute \$432,000 in fiscal year 2014 and a similar amount per year thereafter.

The Acton-Boxborough Regional School District has established an OPEB Trust Fund with an initial contribution of \$236,000 in fiscal year 2013 (contributed prior to the measurement date of December 31, 2012). These assets are not currently managed by the by the SRBTF. The School District plans to contribute the following amounts for the next five fiscal years:

- > Fiscal year 2014: \$376,000
- > Fiscal year 2015: \$420,000
- > Fiscal year 2016: \$520,000
- > Fiscal year 2017: \$610,000
- > Fiscal year 2018: \$700,000

For the purposes of this report, we have assumed the School District will continue to make a funding contribution of \$700,000 per year in fiscal year 2019 and beyond.

Because the School District and the Town are partially funding the ARC, we have used a blended discount rate of 7.00% for the School District and 6.25% for the Town to discount the liability. The blend is based on 4.50% for the

**SECTION 1: Introduction for Acton-Boxborough Regional School District and Town of Acton December 31, 2012
Measurement under GASB**

unfunded portion and 8.00% rate for the funded portion. For illustrative purposes, we have also shown what the obligations would be on a fully funded basis, assuming an interest rate of 8.00%.

To determine the amortization payment on the unfunded actuarial accrued liability (UAAL), an amortization period and amortization method must be selected. We have used a 30-year open amortization of the UAAL (the maximum permitted by the GASB statements), with payments increasing at 3.5% year. The GASB statements allow for either an open or closed amortization period. In open amortization, the period is reset to the initial value every year and the UAAL is reamortized, while under a closed amortization, the remaining period decreases and the UAAL is eventually "paid off."

Pages 10 and 11 show a funding schedule using the 8.00% funding assumption and a 30-year closed amortization. These are an illustration of how assets and liabilities would increase if the Town or School District were to fund the "additional funding" amount shown on the schedule. Pages 12 and 13 are similar illustrations of how the partially funded liabilities and the ARC will change over time.

GASB guidelines prohibit the offset of OPEB obligations by the future value of Medicare Part D subsidies. Therefore, these calculations do not include an estimate for retiree prescription drug plan federal subsidies that the Employer may be eligible to receive.

Employer decisions regarding plan design, cost sharing between the Employer and its retirees, actuarial cost method, amortization techniques, and integration with Medicare are just some of the decisions that affect the magnitude of OPEB

obligations. We are available to assist you with any investigation of such options you may wish to undertake.

This valuation does not include the potential impact of any future changes due to the Patient Protection and Affordable Care Act (PPACA) and the Health Care and Education Reconciliation Act (HCERA) of 2010 other than the excise tax on high cost health plans beginning in 2018 (reflected with this valuation) and those previously adopted as of the valuation date.

KEY VALUATION RESULTS

- > The **unfunded actuarial accrued liability (UAAL)** as of December 31, 2012 is \$22,926,000 for the Acton-Boxborough Regional School District and \$31,188,000 for the Town of Acton. Going forward, net unfunded plan obligations will be expected to change due to normal plan operations, which consist of continuing accruals for active members, plus interest on the total actuarial accrued liability, less expected benefit payments and contributions. Future valuations will analyze the difference between actual and expected unfunded actuarial accrued liabilities.
- > The **Annual Required Contribution (ARC)** for fiscal year 2013 is \$2,076,000 for the Acton-Boxborough Regional School District and \$2,594,000 for the Town of Acton. The ARC is expected to remain relatively level as a percentage of payroll, as long as the ARC is fully funded each year. If the ARC is not fully funded, it may be expected to increase as a percentage of payroll over time.

**SECTION 1: Introduction for Acton-Boxborough Regional School District and Town of Acton December 31, 2012
Measurement under GASB**

Plan obligations as of December 31, 2012, of \$23,166,000 for the Acton-Boxborough Regional School District and \$31,188,000 for the Town of Acton represent decreases from the December 31, 2010 valuation.

Plan obligations had been expected to increase due to normal plan operations, which consist of continuing accruals for active members, plus interest on the total obligation, less expected benefit payments. The decrease was the net effect of the following:

- **Actuarial experience gains** decreased obligations slightly. This was the net result of gains and losses due to demographic changes.
- **Valuation assumption changes and plan changes** decreased obligations significantly. This was the net result of a decrease in obligations due to 1) valuation year per capita health costs not increasing as much as projected due to the plan design changes adopted on July 1, 2012 and 2) increasing the discount rate from 4.5% to 6.25% for the Town and to 7.00% for the School District, partially offset by increases in obligations due to 3) changes in the mortality assumptions noted in Section 4 and 4) reflecting the excise tax on high cost health plans beginning in 2018. We estimated the impact of the excise tax in this valuation by applying a 1.5% increase in the actuarial accrued liability and a 3.0% increase in normal cost. The complete set of assumptions is shown in Exhibit II, and the summary of plan design is shown in Exhibit III.

**SECTION 2: Valuation Results for the Acton-Boxborough Regional School District and the Town of Acton
December 31, 2012 Measurement under GASB**

The key results for the current year are shown on a funded basis and a partially funded basis.

SUMMARY OF VALUATION RESULTS – ACTON-BOXBOROUGH REGIONAL SCHOOL DISTRICT

	Funded (8.00% discount rate)	Partially Funded (7.00% discount rate)
Actuarial Accrued Liability by Participant Category		
1. Current retirees, beneficiaries and dependents	\$10,632,599	\$11,621,402
2. Current active employees	<u>9,891,812</u>	<u>11,544,452</u>
3. Total as of December 31, 2012: (1) + (2)	\$20,524,411	\$23,165,854
4. Actuarial value of assets as of December 31, 2012	<u>239,760</u>	<u>239,760</u>
5. Unfunded actuarial accrued liability (UAAL) as of December 31, 2012: (3) – (4)	\$20,284,651	\$22,926,094
Annual Required Contribution for Fiscal Year Ending June 30, 2013		
6. Normal Cost as of December 31, 2012	\$741,307	\$888,481
7. 30-year increasing amortization (3.5% per year) of the UAAL as of December 31, 2012	<u>1,172,141</u>	<u>1,187,935</u>
8. Total Annual Required Contribution (ARC): (6) + (7)	\$1,913,448	\$2,076,416
9. Total projected benefit payments	910,251	910,251

Note: Assumes payment in the middle of the fiscal year.

**SECTION 2: Valuation Results for the Acton-Boxborough Regional School District and the Town of Acton
December 31, 2012 Measurement under GASB**

SUMMARY OF VALUATION RESULTS – TOWN OF ACTON

The key results for the current year are shown on a funded basis and a partially funded basis.

	Funded (8.00% discount rate)	Partially Funded (6.25% discount rate)
Actuarial Accrued Liability by Participant Category		
1. Current retirees, beneficiaries and dependents	\$13,463,444	\$15,837,631
2. Current active employees	<u>11,521,163</u>	<u>15,350,179</u>
3. Total as of December 31, 2012: (1) + (2)	\$24,984,607	\$31,187,810
4. Actuarial value of assets as of December 31, 2012	<u>0</u>	<u>0</u>
5. Unfunded actuarial accrued liability (UAAL) as of December 31, 2012: (3) – (4)	\$24,984,607	\$31,187,810
Annual Required Contribution for Fiscal Year Ending June 30, 2013		
6. Normal Cost as of December 31, 2012	\$797,336	\$1,111,491
7. 30-year increasing amortization (3.5% per year) of the UAAL as of December 31, 2012	<u>1,443,726</u>	<u>1,482,069</u>
8. Total Annual Required Contribution (ARC): (6) + (7)	\$2,241,062	\$2,593,560
9. Total projected benefit payments	1,118,908	1,118,908

Note: Assumes payment in the middle of the fiscal year.



OPEB Overview

ABRSD

DECEMBER 4, 2014

S. Noone - Acton Finance Comm

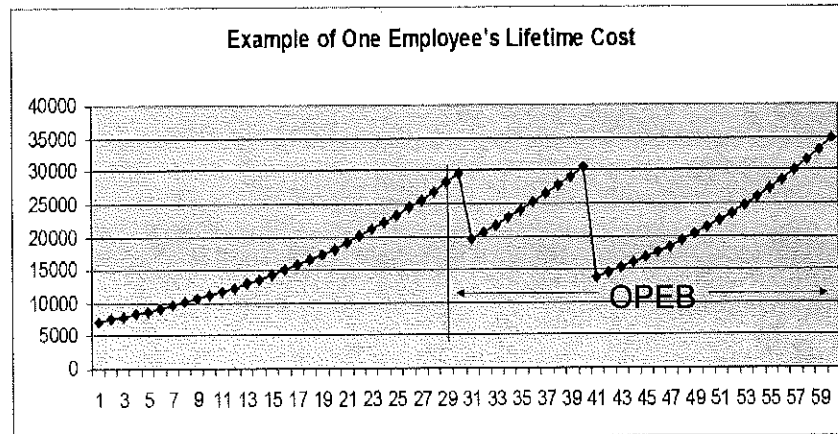
1

The Issue

- **OPEB represents the future cost of providing post-retirement health benefits already earned by employees and retirees. We have only just started to address the issue.**
- **The Town and Regional School District, like almost all municipalities in nation, have paid the OPEB cost each year.**
- **Accounting Rules now require us to calculate and report the unfunded liability. The unfunded portion since 2009 is recorded as a liability on our balance sheet**

2

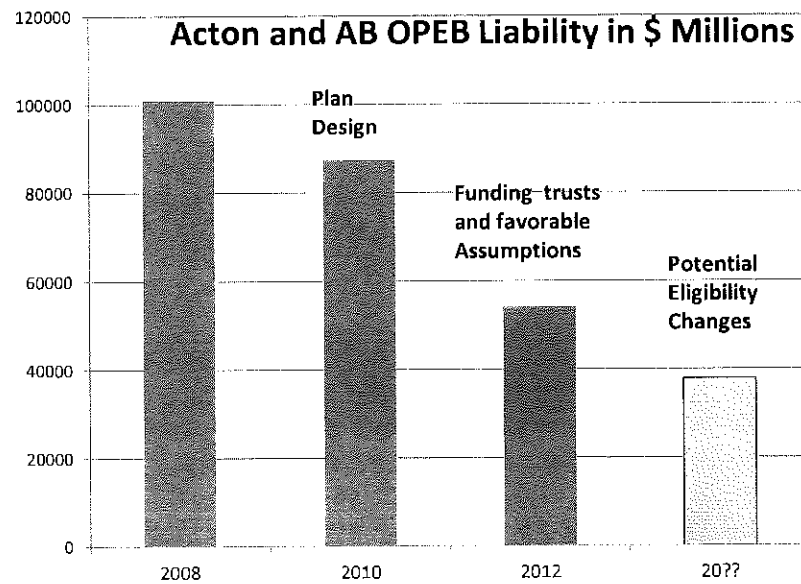
Health Insurance Costs Continue after the Employee Retires



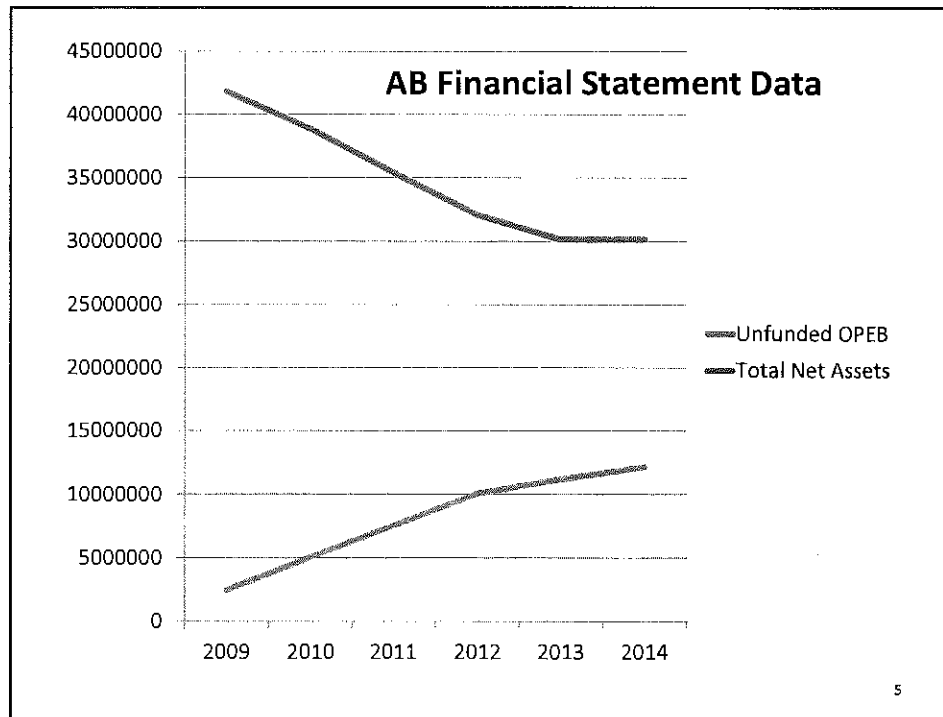
Assumes employee works 30 Years, retires at 55 and lives to 85
 Assumes current costs and plan design and 5% inflation

3

Acton and AB OPEB Liability in \$ Millions



4



What does the \$1.4 million Represent?

- It represents the Normal Cost or the cost of providing healthcare for our current employees when they are in retirement.
 - It assumed the State OPEB bill had passed. The corresponding number without those changes is \$2.2 million
- It does not address the cost of retirees in the future years, that would add another \$2.0 million
- It represents 64% of the Normal Cost and 31% of the Total OPEB cost

How is it split?

- Since it represents the cost for current employees it is split based on employees
- Normal Cost based on 2012 Study
 - ABRSD \$888,481
 - APS \$658,388
 - Total \$1,546,869
 - 64% \$989,996



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Kathleen A. Riley, FSA, MAA, EA
Senior Vice President and Actuary
kriley@segalco.com

September 17, 2014

Retirement Board
Middlesex County Retirement System
25 Linnell Circle
Billerica, MA 01865

Subject: Summary of Preliminary Results of the January 1, 2014 Actuarial Valuation

Dear Board Members:

The following is a summary of the preliminary results of our January 1, 2014 actuarial valuation for the Middlesex County Retirement System.

Chart 1 summarizes the data used in this year's valuation, compared to the data used in the January 1, 2012 valuation. The number of active participants has increased 1.1% since the prior valuation. Total payroll has increased 6.0% and average pay has increased by 4.8% over the past two years. The salary increase assumption in the prior valuation was 4.75% for Groups 1 and 2 and 5.25% for Group 4. As noted later in this report, there was an experience gain due to salary experience of approximately \$37.0 million. The overall number of retirees and beneficiaries has increased by 3.9%.

The actuarial value of assets as of December 31, 2013 was \$967.1 million, or 95.4% of the market value of assets of \$1.014 billion (as reported in the Annual Statement). As of December 31, 2011, the actuarial value of assets was 109.5% of market value. During the plan years ended December 31, 2012 and December 31, 2013, the market value rates of return were 12.9% and 14.1%, respectively. Because the actuarial value of assets gradually recognizes market value fluctuations, the actuarial rates of return for the plan years ended December 31, 2012 and December 31, 2013 were 1.8% and 10.1%, respectively.

The total unrecognized investment gain as of December 31, 2013 was \$46.9 million. This investment gain will be recognized in the determination of the actuarial value of assets for funding purposes in the next few years, to the extent it is not offset by recognition of investment losses derived from future experience. This implies that earning the assumed rate of investment return (net of expenses) on a market value basis will result in investment gains on the actuarial value of assets in the next few years. The unrecognized investment gains are not reflected in the attached funding schedules.

The following plan change is included in this valuation:

- Members hired on or after April 2, 2012 are covered by the provisions of Chapter 32 as amended by of Chapter 176 of the Acts of 2011 and Chapter 139 of the Acts of 2012.

This valuation reflects the following changes in actuarial assumptions and methods:

- The actuarial cost method was changed to better reflect the impact of the plan changes effective for employees hired on or after April 2, 2012.
- The pre-retirement mortality assumption was changed from the RP-2000 Employee Mortality Table projected 12 years with Scale AA to the RP-2000 Employee Mortality Table projected 22 years with Scale AA.
- The mortality assumption for non-disabled retirees was changed from the RP-2000 Healthy Annuitant Mortality Table projected 12 years with Scale AA to the RP-2000 Healthy Annuitant Mortality Table projected 17 years with Scale AA.
- The mortality assumption for disabled participants was changed from the RP-2000 Healthy Annuitant Mortality Table set forward two years to the RP-2000 Healthy Annuitant Mortality Table set forward three years projected 17 years with Scale AA.
- The investment return assumption was lowered from 8.00% to 7.875%.
- The salary increase assumption was changed from level rates of 4.75% per year for Group 1 and Group 2 members and 5.25% per year for Group 4 members, including an allowance for inflation of 4.5% per year, to rates based on years of service with ultimate rates of 4.25% per year for Group 1 members, 4.5% per year for Group 2 members and 4.75% per year for Group 4 members, including an allowance for inflation of 4.0% per year.
- The assumed retirement age for inactive vested participants was changed from age 65 to age 60 for Group 1 and 2 members and remained the same at age 55 for Group 4 members hired prior to April 2, 2012. For participants hired April 2, 2012 or later, the assumption is 60 for Group 1 members, 55 for Group 2 members, and 50 for Group 4 members.
- The administrative expense assumption was increased from \$3,100,000 for calendar 2012 to \$3,400,000 for calendar 2014.

The changes in assumptions and methods increased the unfunded liability by \$45.4 million and decreased the normal cost by \$2.9 million.

Chart 2 shows the cost factors and unfunded liability as of January 1, 2014 and January 1, 2012 based on the assumptions used in the prior valuation and the changes noted above. The unfunded liability was expected to increase from \$1,111.8 million as of January 1, 2012 to \$1,160.9 million as of January 1, 2014. The actual unfunded liability as of January 1, 2014 of \$1,228.6 million is \$67.7 million higher than expected as detailed below:

	<u>(Amounts Expressed in Millions)</u>
January 1, 2012 unfunded actuarial accrued liability	\$1,111.8
January 1, 2014 expected unfunded actuarial accrued liability	1,160.9
Change due to:	
Investment loss	\$39.2
Loss due to data changes and other miscellaneous experience	5.3
Net 3(8)(c) reimbursements out of System	10.3
Fewer deaths than expected among retired members	4.5
Salaries increasing less than expected	(37.0)
Changes in actuarial assumptions and cost method	<u>45.4</u>
Net change	\$67.7
January 1, 2014 unfunded actuarial accrued liability	\$1,228.6

We have prepared a preliminary funding schedule for the Board to consider, shown in Chart 3. Under this funding schedule, the System will be fully funded by fiscal 2035, the same as the prior funding schedule. The recommended contribution for fiscal 2015 was set to the previously budgeted amount of \$94,523,281. In fiscal 2016 through fiscal 2020, the recommended contribution will be the prior year's budgeted amount increased 6.5%. Thereafter, the amortization payment on the unfunded liability will increase 4% per year. This will result in a total fiscal 2016 appropriation of \$100,663,333 and a total fiscal 2017 appropriation of \$107,202,488. These amounts reflect payment of the appropriation in two equal amounts on July 1 and December 31. If the appropriation is made in one payment on July 1, the amount will be lower.

The following table shows the change in the funded ratio from January 1, 2012 to January 1, 2014, using both the market value of assets and the actuarial value of assets:

	Funded Ratio as of	
	January 1, 2012	January 1, 2014
Investment return assumption	8.00%	7.875%
Market value of assets	39.89%	46.18%
Actuarial value of assets	43.68%	44.05%

This report was prepared in accordance with generally accepted actuarial principles and practices at the request of the Board to assist in administering the Retirement System. The census information and financial information on which this actuarial valuation was based was prepared by the staff of the Middlesex County Retirement System.

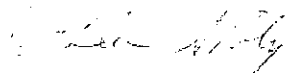
The actuarial assumptions used for this valuation and a summary of the plan of benefits are attached. The financial information used in this valuation is as of January 1, 2014.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and changes in plan provisions or applicable law.

The actuarial calculations were directed under my supervision. I am a member of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of my knowledge, the information supplied in this actuarial valuation is complete and accurate. In my opinion, each assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

We look forward to reviewing these results with you.

Sincerely,



Kathleen A. Riley, FSA, MAAA, EA

KCR/jpb

Enclosures

cc: Ms. Jacqueline Williams (w/enclosures)
Ms. Brenda O'Donnell (w/enclosures)

8062948V3/05724.010

Chart 1

Table of Plan Coverage

Category	Year Ended December 31		Change From Prior Year
	2013	2011	
Active participants in valuation:			
Number	9,082	8,979	1.1%
Average age	48.3	48.3	N/A
Average years of service	11.7	11.4	N/A
Total payroll*	\$398,185,255	\$375,701,790	6.0%
Average payroll*	43,843	41,842	4.8%
Member contributions	354,110,505	332,262,183	6.6%
Number with unknown age	59	60	-1.7%
Inactive participants with a vested right to a deferred or immediate benefit	384	394	-2.5%
Inactive participants entitled to a return of their employee contributions	2,632	2,708	-2.8%
Retired participants:			
Number in pay status	4,013	3,823	5.0%
Average age	73.7	73.5	N/A
Average monthly benefit	\$1,926	\$1,780	8.2%
Number with benefits in suspended status	2	0	N/A
Disabled participants:			
Number in pay status	446	454	-1.8%
Average age	66.1	65.5	N/A
Average monthly benefit	\$2,651	\$2,512	5.5%
Number with benefits in suspended status	1	0	N/A
Beneficiaries in pay status:			
Number in pay status	613	609	0.7%
Average age	75.6	75.0	N/A
Average monthly benefit	\$1,073	\$1,003	7.0%
Number with benefits in suspended status	2	0	N/A

* Payroll figures are for the prior calendar year and reflect annualized salaries for participants hired during the year.

CHART 2

Comparison of Current and Prior Valuation Results

	Year Beginning January 1			
	2014		2012	
	Amount	% of Payroll	Amount	% of Payroll
1. Total normal cost	\$52,132,389	12.54%	\$52,340,668	13.31%
2. Administrative expenses	3,400,000	0.82%	3,100,000	0.79%
3. Expected employee contributions	<u>-39,232,068</u>	<u>-9.44%</u>	<u>-36,374,092</u>	<u>-9.25%</u>
4. Employer normal cost: (1) + (2) + (3)	\$16,300,321	3.92%	\$19,066,576	4.85%
5. Actuarial accrued liability	2,195,732,452		1,974,144,909	
6. Actuarial value of assets	<u>967,146,018</u>		<u>862,323,395</u>	
7. Unfunded actuarial accrued liability: (5) - (6)	\$1,228,586,434		\$1,111,821,514	
8. Projected payroll as of January 1	415,752,810		393,100,995	

Chart 3

Funding Schedule – Fully funded by 2035 with appropriations that increase 6.5% per year from fiscal 2016 through fiscal 2020 and lower increases thereafter

(1) Fiscal Year Ended June 30	(2) Employer Normal Cost	(3) Amortization of 2002 ERI Liability	(4) Amortization of 2003 ERI Liability	(5) Amortization of 2010 ERI Liability	(6) Amortization of Remaining Unfunded Liability	(7) Total Plan Cost: (2) + (3) + (4) + (5) + (6)	(8) Total Unfunded Actuarial Accrued Liability at Beginning of Fiscal Year	(9) Percent Increase in Total Cost
2015	\$16,941,148	\$1,676,175	\$733,735	\$60,947	\$75,111,276	\$94,523,281	\$1,276,045,381	-
2016	17,618,794	1,676,175	733,735	60,947	80,577,643	100,667,294	1,294,413,316	6.50%
2017	18,323,546	1,676,175	733,735	60,947	86,416,265	107,210,668	1,308,441,579	6.50%
2018	19,056,488	1,676,175	733,735	60,947	92,652,016	114,179,361	1,317,394,390	6.50%
2019	19,818,748	1,676,175	733,735	60,947	99,311,414	121,601,019	1,320,451,696	6.50%
2020	20,611,498	-	733,735	60,947	108,098,905	129,505,085	1,316,700,797	6.50%
2021	21,435,958	-	-	60,947	113,124,012	134,620,917	1,305,127,191	3.95%
2022	22,293,396	-	-	60,947	117,648,972	140,003,315	1,288,099,749	4.00%
2023	23,185,132	-	-	-	122,354,931	145,540,063	1,264,941,728	3.95%
2024	24,112,537	-	-	-	127,249,128	151,361,665	1,235,043,271	4.00%
2025	25,077,038	-	-	-	132,339,094	157,416,132	1,197,609,806	4.00%
2026	26,080,120	-	-	-	137,632,657	163,712,777	1,151,840,730	4.00%
2027	27,123,325	-	-	-	143,137,964	170,261,289	1,096,864,106	4.00%
2028	28,208,258	-	-	-	148,863,482	177,071,740	1,031,730,709	4.00%
2029	29,336,588	-	-	-	154,818,022	184,154,610	955,407,599	4.00%
2030	30,510,052	-	-	-	161,010,742	191,520,794	866,771,168	4.00%
2031	31,730,454	-	-	-	167,451,172	199,181,626	764,599,627	4.00%
2032	32,999,672	-	-	-	174,149,219	207,148,891	647,564,886	4.00%
2033	34,319,659	-	-	-	181,115,188	215,434,847	514,223,781	4.00%
2034	35,692,445	-	-	-	188,359,796	224,052,241	363,008,590	4.00%
2035	37,120,143	-	-	-	195,894,187	233,014,330	192,216,790	4.00%
2036	38,604,949	-	-	-	-	38,604,949	-	-83.43%
2037	40,149,147	-	-	-	-	40,149,147	-	4.00%
2038	41,755,113	-	-	-	-	41,755,113	-	4.00%
2039	43,425,318	-	-	-	-	43,425,318	-	4.00%
2040	45,162,331	-	-	-	-	45,162,331	-	4.00%

Notes: Recommended contributions are assumed to be paid on July 1 and December 31.
Item (2) increases at 4.0% per year. Item (6) increases 4% per year beginning in fiscal 2022.
Fiscal 2015 appropriation is budgeted amount determined with prior valuation.
Projected unfunded actuarial accrued liability does not reflect deferred investment gains.
Projected normal cost does not reflect the future impact of pension reform for new hires.

Actuarial Assumptions and Actuarial Cost Method

Mortality Rates:

<i>Pre-Retirement:</i>	RP-2000 Employee Mortality Table projected 22 years with Scale AA (Previously, projected 12 years with Scale AA)
<i>Healthy Retiree:</i>	RP-2000 Healthy Annuitant Mortality Table projected 17 years with Scale AA (Previously, projected 12 years with Scale AA)
<i>Disabled Retiree:</i>	RP-2000 Healthy Annuitant Mortality Table set forward 3 years projected 17 years with Scale AA (Previously, set forward 2 years and projected 0 years)

The RP-2000 Employee Mortality Table projected 22 years with Scale AA and the RP-2000 Healthy Annuitant Mortality Table projected 17 years with Scale AA were determined to contain provisions appropriate to reasonably reflect future mortality improvement, based on a review of the mortality experience of the plan.

Termination Rates before Retirement:**Groups 1 and 2 - Rate (%)**

Age	Mortality		Disability
	Male	Female	
20	0.02	0.01	0.02
25	0.03	0.02	0.02
30	0.04	0.02	0.03
35	0.07	0.04	0.06
40	0.09	0.05	0.10
45	0.11	0.08	0.15
50	0.14	0.11	0.19
55	0.20	0.21	0.24
60	0.34	0.35	0.28

*Notes: 55% of the disability rates shown represent accidental disability.
20% of the accidental disabilities will die from the same cause as the disability.
55% of the death rates shown represent accidental death*

Termination Rates before Retirement (continued):

Age	Group 4 – Rate (%)		
	Mortality		Disability
	Male	Female	
20	0.02	0.01	0.20
25	0.03	0.02	0.20
30	0.04	0.02	0.30
35	0.07	0.04	0.30
40	0.09	0.05	0.30
45	0.11	0.08	1.00
50	0.14	0.11	1.25
55	0.20	0.21	1.20
60	0.34	0.35	0.85

Notes: 90% of the disability rates shown represent accidental disability.

60% of the accidental disabilities will die from the same cause as the disability.

90% of the death rates shown represent accidental death.

Withdrawal Rates:

Years of Service	Rate per year (%)		
	Groups 1 and 2	Years of Service	Group 4
0	15.0	0	1.5
1	12.0	1	1.5
2	10.0	2	1.5
3	9.0	3	1.5
4	8.0	4	1.5
5 – 9	7.6	5	1.5
10 – 14	5.4	6	1.5
15 – 19	3.3	7	1.5
20 – 24	2.0	8	1.5
25 – 29	1.0	9	1.5
30+	0.0	10	1.5
		11+	0.0

Retirement Rates:	Rate per year (%)			
	Age	Groups 1 and 2		Group 4
		Male	Female	
	45 – 49	--	--	1.0
	50 – 54	--	--	2.0
	55 – 59	2.0	5.5	15.0
	60 – 61	12.0	5.0	20.0
	62 – 64	30.0	15.0	25.0
	65 – 68	40.0	15.0	100.0
	69	50.0	20.0	--
	70	100.0	100.0	--

Retirement Age for Inactive Vested Participants:

Age 60 for Group 1 and Group 2 members and age 55 for Group 4 members hired prior to April 2, 2012. For members hired April 2, 2012 or later, age 60 for Group 1 members, age 55 for Group 2 members and age 50 for Group 4 members (Previously, age 65 for Group 1 and 2 members hired prior to April 2, 2012).

Unknown Data for Participants: Same as those exhibited by participants with similar known characteristics. If not specified, participants are assumed to be male.

Family Composition: 75% of participants are assumed to be married. None are assumed to have dependent children. Females are assumed to be three years younger than their spouses.

Benefit Election: All participants are assumed to elect Option A.

Net Investment Return: 7.875% (previously, 8.00%)

Interest on Employee Contributions: 3.5%

Salary Increases:

Years of Service	Group 1	Group 2	Group 4
0	6.00%	6.00%	7.00%
1	5.50%	5.50%	6.50%
2	5.50%	5.50%	6.00%
3	5.25%	5.25%	5.75%
4	5.25%	5.25%	5.25%
5	4.75%	4.75%	5.25%
6	4.75%	4.75%	4.75%
7	4.50%	4.50%	4.75%
8	4.50%	4.50%	4.75%
9+	4.25%	4.50%	4.75%

Includes an allowance for inflation of 4.0% per year.

(Previously, 4.75% for Group 1 and 2 members and 5.25% for Group 4 members, including allowance for inflation of 4.5% per year.)

Administrative Expenses:

\$3,400,000 for calendar year 2014, increasing 4.0% per year (previously, \$3,100,000 for calendar year 2012, increasing 4.5% per year)

2013 Salary:

2013 salaries are equal to salaries provided in the data, except for actives missing salary and employees with less than one year of service, where salaries are calculated from annualized contributions divided by the contribution rates provided.

Total Service:

Total creditable service reported in the data.

Net 3(8)(c) Liability:

No liability is valued for benefits paid to or received from other municipal systems.

Actuarial Value of Assets:

Market value of assets as reported in the System's Annual Statement less unrecognized return in each of the last five years. Unrecognized return is equal to the difference between the actual market value return and the expected market value return and is recognized at 20% per year over a five-year period, further adjusted, if necessary, to be within 20% of the market value.

Actuarial Cost Method:

Entry Age Normal Actuarial Cost Method. Entry Age is the age of the participant less total creditable service. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are allocated by salary. Normal Cost is determined by using the plan of benefits applicable to each participant. (Previously, Normal Cost determined as if the current plan of benefits had always been in effect.)

Changes in Assumptions:

This valuation reflects the following:

- The actuarial cost method was changed to better reflect the impact of the plan changes effective for employees hired on or after April 2, 2012.
- The pre-retirement mortality assumption was changed from the RP-2000 Employee Mortality Table projected 12 years with Scale AA to the RP-2000 Employee Mortality Table projected 22 years with Scale AA.
- The mortality assumption for non-disabled retirees was changed from the RP-2000 Healthy Annuitant Mortality Table projected 12 years with Scale AA to the RP-2000 Healthy Annuitant Mortality Table projected 17 years with Scale AA.
- The mortality assumption for disabled participants was changed from the RP-2000 Healthy Annuitant Mortality Table set forward two years to the RP-2000 Healthy Annuitant Mortality Table set forward three years projected 17 years with Scale AA.
- The investment return assumption was lowered from 8.00% to 7.875%.
- The salary increase assumption was changed from level rates of 4.75% per year for Group 1 and Group 2 members and 5.25% per year for Group 4 members, including an allowance for inflation of 4.5% per year, to rates based on years of service with ultimate rates of 4.25% per year for Group 1 members, 4.5% per year for Group 2 members and 4.75% per year for Group 4 members, including an allowance for inflation of 4.0% per year.
- The assumed retirement age for inactive vested participants was changed from age 65 to age 60 for Group 1 and 2 members and remained the same at age 55 for Group 4 members hired prior to April 2, 2012. For participants hired April 2, 2012 or later, the assumption is 60 for Group 1 members, 55 for Group 2 members, and 50 for Group 4 members.
- The administrative expense assumption was increased from \$3,100,000 for calendar 2012 to \$3,400,000 for calendar 2014.

Summary of Plan Provisions

This exhibit summarizes the major provisions of Chapter 32 of the Laws of Massachusetts.

Plan Year: January 1 – December 31

Retirement Benefits

Employees covered by the Contributory Retirement Law are classified into one of four groups depending on job classification. Group 1 comprises most positions in state and local government. It is the general category of public employees. Group 4 comprises mainly police and firefighters. Group 2 is for other specified hazardous occupations. (Officers and inspectors of the State Police are classified as Group 3.)

For employees hired prior to April 2, 2012, the annual amount of the retirement allowance is based on the member's final three-year average salary multiplied by the number of years and full months of creditable service at the time of retirement and multiplied by a percentage according to the following table based on the age of the member at retirement:

Age Last Birthday at Date of Retirement

Percent	Group 1	Group 2	Group 4
2.5	65 or over	60 or over	55 or over
2.4	64	59	54
2.3	63	58	53
2.2	62	57	52
2.1	61	56	51
2.0	60	55	50
1.9	59	--	49
1.8	58	--	48
1.7	57	--	47
1.6	56	--	46
1.5	55	--	45

A member's final three-year average salary is defined as the greater of the highest consecutive three-year average annual rate of regular compensation and the average annual rate of regular compensation received during the last three years of creditable service prior to retirement.

For employees hired on April 2, 2012 or later, the annual amount of the retirement allowance is based on the member's final five-year average salary multiplied by the number of years and full months of creditable service at the time of retirement and multiplied by a percentage according to the following tables based on the age and years of creditable service of the member at retirement:

For members with less than 30 years of creditable service:

Age Last Birthday at Date of Retirement

Percent	Group 1	Group 2	Group 4
2.50	67 or over	62 or over	57 or over
2.35	66	61	56
2.20	65	60	55
2.05	64	59	54
1.90	63	58	53
1.75	62	57	52
1.60	61	56	51
1.45	60	55	50

For members with 30 years of creditable service or greater:

Age Last Birthday at Date of Retirement

Percent	Group 1	Group 2	Group 4
2.500	67 or over	62 or over	57 or over
2.375	66	61	56
2.250	65	60	55
2.125	64	59	54
2.000	63	58	53
1.875	62	57	52
1.750	61	56	51
1.625	60	55	50

A member's final five-year average salary is defined as the greater of the highest consecutive five-year average annual rate of regular compensation and the average annual rate of regular compensation received during the last five years of creditable service prior to retirement.

For employees who became members after January 1, 2011, regular compensation is limited to 64% of the federal limit found in 26 U.S.C. 401(a)(17). In addition, regular compensation for members who retire after April 2, 2012 will be limited to prohibit “spiking” of a member’s salary to increase the retirement benefit.

For all employees, the maximum annual amount of the retirement allowance is 80 percent of the member’s final average salary. Any member who is a veteran also receives an additional yearly retirement allowance of \$15 per year of creditable service, not exceeding \$300. The veteran allowance is paid in addition to the 80 percent maximum.

Employee Contributions

<u>Date of Hire</u>	<u>Contribution Rate</u>
Prior to January 1, 1975	5%
January 1, 1975 – December 31, 1983	7%
January 1, 1984 – June 30, 1996	8%
July 1, 1996 onward	9%

In addition, employees hired after December 31, 1978 contribute an additional 2 percent of salary in excess of \$30,000.

Employees hired after 1983 who voluntarily withdraw their contributions with less than 10 ten years of credited service receive 3% interest on their contributions.

Employees in Group 1 hired on or after April 2, 2012 with 30 years of creditable service or greater will pay a base contribution rate of 6%.

Retirement Benefits (Superannuation)

Members of Group 1, 2 or 4 hired prior to April 2, 2012 may retire upon the attainment of age 55. For retirement at ages below 55, twenty years of creditable service is required.

Members hired prior to April 2, 2012 who terminate before age 55 with ten or more years of creditable service are eligible for a retirement allowance upon the attainment of age 55 (provided they have not withdrawn their accumulated deductions from the Annuity Savings Fund of the System).

Members of Group 1 hired April 2, 2012 or later may retire upon the attainment of age 60. Members of Group 2 or 4 hired April 2, 2012 or later may retire upon the attainment of age 55. Members of Group 4 may retire upon attainment of age 50 with ten years of creditable service.

Members hired April 2, 2012 or later who terminate before age 55 (60 for members of Group 1) with ten or more years of creditable service are eligible for a retirement allowance upon the attainment of age 55 (60 for members of Group 1) provided they have not withdrawn their accumulated deductions from the Annuity Savings Fund of the System.

Ordinary Disability Benefits

A member who is unable to perform his or her job due to a non-occupational disability will receive a retirement allowance if he or she has ten or more years of creditable service and has not reached age 55. The annual amount of such allowance shall be determined as if the member retired for superannuation at age 55 (age 60 for Group 1 members hired on or after April 2, 2012), based on the amount of creditable service at the date of disability. For veterans, there is a minimum benefit of 50 percent of the member's most recent year's pay plus an annuity based on his or her own contributions.

Accidental Disability Benefit

For a job-connected disability, the benefit is 72 percent of the member's most recent annual pay plus an annuity based on his or her own contributions, plus additional amounts for surviving children. Benefits are capped at 75 percent of annual rate of regular compensation for employees who become members after January 1, 1988.

Death Benefits

In general, the beneficiary of an employee who dies in active service will receive a refund of the employee's own contributions. Alternatively, if the employee were eligible to retire on the date of death, a spouse's benefit will be paid equal to the amount the employee would have received under Option C. The surviving spouse of a member who dies with two or more years of credited service has the option of a refund of the employee's contributions or a monthly benefit regardless of eligibility to retire, if they were married for at least one year. There is also a minimum widow's pension of \$500 per month, and there are additional amounts for surviving children.

If an employee's death is job-connected, the spouse will receive 72 percent of the member's most recent annual pay, in addition to a refund of the member's accumulated deductions, plus additional amounts for surviving children. However, in accordance with Section 100 of Chapter 32, the surviving spouse of a police officer, firefighter or corrections officer is killed in the line of duty will be eligible to receive an annual benefit equal to the maximum salary held by the member at the time of death.

Upon the death of a job-connected disability retiree who retired prior to November 7, 1996 and could not elect an Option C benefit, a surviving spouse will receive an allowance of \$9,000 per year if the member dies for a reason unrelated to cause of disability.

"Heart And Lung Law" And Cancer Presumption

Any case of hypertension or heart disease resulting in total or partial disability or death to a uniformed fireman, permanent member of a police department, or certain employees of a county correctional facility is presumed to have been suffered in the line of duty, unless the contrary is shown by competent evidence. Any case of disease of the lungs or respiratory tract resulting in total disability or death to a uniformed fireman is presumed to have been suffered in the line of duty, unless the contrary is shown by competent evidence. There is an additional presumption for uniformed firemen that certain types of cancer are job-related if onset occurs while actively employed or within five years of retirement.

Options

Members may elect to receive a full retirement allowance payable for life under Option A. Under Option B a member may elect to receive a lower monthly allowance in exchange for a guarantee that at the time of death any contributions not expended for annuity payments will be refunded to the beneficiary. Option C allows the member to take a lesser retirement allowance in exchange for providing a survivor with two-thirds of the lesser amount. Option C pensioners will have benefits converted from a reduced to a full retirement if the beneficiary predeceases the retiree.

Post-Retirement Benefits

The Board has adopted the provisions of Section 51 of Chapter 127 of the Acts of 1999, which provide that the Retirement Board may approve an annual COLA in excess of the Consumer Price Index but not to exceed a 3% COLA on the first \$14,000 of a retirement allowance. Cost-of-living increases granted prior to July 1, 1998 are reimbursed by the Commonwealth and not reflected in this report.

Changes in Plan Provisions

Members hired on or after April 2, 2012 are covered by the provisions of Chapter 32 as amended by of Chapter 176 of the Acts of 2011 and Chapter 139 of the Acts of 2012.

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Middlesex County Retirement System
Preliminary January 1, 2014 Actuarial Valuation Results
Appropriations by Unit

Unit Code	Unit Name	2015 Budgeted Appropriation	2016 Appropriation, 6.5% Increases	% Increase	2017 Appropriation, 6.5% Increases	% Increase
1	Middlesex County Retirement Board	\$313,854	\$317,732	1.24%	\$338,205	6.44%
300	Town of Acton	2,561,389	3,238,811	26.45%	3,456,369	6.72%
400	Town of Ashby	153,299	166,771	8.79%	176,678	5.94%
500	Town of Ashland	2,249,525	2,327,431	3.46%	2,464,185	5.88%
600	Town of Ayer	1,370,267	1,368,991	-0.09%	1,456,839	6.42%
700	Town of Bedford	3,438,459	3,548,130	3.19%	3,786,284	6.71%
800	Town of Billerica	8,707,197	9,380,650	7.73%	10,014,633	6.76%
900	Town of Boxborough	556,382	608,627	9.39%	647,965	6.46%
1000	Town of Burlington	7,657,224	8,046,345	5.08%	8,565,053	6.45%
1100	Town of Carlisle	726,609	771,117	6.13%	820,032	6.34%
1200	Town of Chelmsford	6,609,662	7,231,797	9.41%	7,696,693	6.43%
1300	Town of Dracut	3,864,705	4,046,279	4.70%	4,314,668	6.63%
1400	Town of Dunstable	202,576	219,471	8.34%	233,061	6.19%
1500	Town of Groton	1,591,023	1,771,089	11.32%	1,874,224	5.82%
1600	Town of Holliston	1,946,930	1,897,130	-2.56%	2,016,780	6.31%
1700	Town of Hopkinton	1,847,264	1,761,817	-4.63%	1,871,496	6.23%
1800	Town of Hudson	4,234,151	4,481,375	5.84%	4,776,033	6.58%
1900	Town of Lincoln	1,653,707	1,837,401	11.11%	1,958,909	6.61%
2000	Town of Littleton	1,744,657	1,796,032	2.94%	1,911,148	6.41%
2100	Town of North Reading	3,186,939	3,346,158	5.00%	3,566,005	6.57%
2200	Town of Pepperell	986,402	1,028,452	4.26%	1,095,388	6.51%
2300	Town of Sherborn	714,222	837,074	17.20%	891,381	6.49%
2400	Town of Shirley	662,426	724,060	9.30%	769,185	6.23%
2500	Town of Stow	699,252	715,592	2.34%	762,934	6.62%
2600	Town of Sudbury	3,525,362	3,781,902	7.28%	4,037,479	6.76%
2700	Town of Tewksbury	6,426,475	6,712,342	4.45%	7,127,640	6.19%
2800	Town of Townsend	686,812	662,476	-3.54%	703,208	6.15%
2900	Town of Tyngsborough	1,426,543	1,464,541	2.66%	1,559,331	6.47%
3000	Town of Wayland	3,813,132	4,047,978	6.16%	4,316,444	6.63%
3100	Town of Westford	3,882,958	4,070,213	4.82%	4,319,975	6.14%
3200	Town of Weston	4,219,564	4,351,938	3.14%	4,645,085	6.74%
3300	Town of Wilmington	5,049,158	5,444,456	7.83%	5,813,321	6.78%
3400	Acton-Boxborough RSD	1,790,326	2,099,408	17.26%	2,234,287	6.42%
3500	Acton Water Supply	135,958	168,963	24.28%	181,125	7.20%
3600	Bedford Housing Authority	24,153	27,035	11.93%	28,318	4.75%
3700	Billerica Housing Authority	87,993	84,576	-3.88%	89,675	6.03%
3800	Chelmsford Housing Authority	81,762	93,720	14.63%	99,778	6.46%
3900	Chelmsford Water District	247,972	189,608	-23.54%	203,130	7.13%
4000	Dracut Housing Authority	101,394	112,311	10.77%	120,427	7.23%
4100	Dracut Water Supply	131,424	150,427	14.46%	161,383	7.28%
4200	E. Chelmsford Water	19,234	25,079	30.39%	26,658	6.30%
4300	E. Middlesex Mosq Control	39,940	37,813	-5.33%	40,306	6.59%
4400	Greater Lowell RVTSD	1,088,700	1,150,087	5.64%	1,218,454	5.94%
4500	Groton-Dunstable RSD	697,470	721,535	3.45%	766,735	6.26%
4600	Hudson Housing Authority	66,988	91,392	36.43%	97,902	7.12%
4700	Lincoln Sudbury	533,430	559,028	4.80%	597,419	6.87%
4900	Nashoba Valley THSD	187,146	235,411	25.79%	251,076	6.65%
5000	N. Chelmsford Water	38,395	39,854	3.80%	42,935	7.73%
5100	North Middlesex RSD	774,420	852,323	10.06%	907,576	6.48%
5300	Shawsheen Valley RVS	457,277	530,278	15.96%	565,598	6.66%
5400	South Middlesex RVTS	458,947	490,299	6.83%	523,098	6.69%
5500	Sudbury Water District	86,973	83,707	-3.76%	90,063	7.59%
5600	Tewksbury Housing Authority	80,757	99,575	23.30%	105,697	6.15%
5700	Wayland Housing Authority	35,211	30,919	-12.19%	33,050	6.89%
5800	Hopkinton Housing Authority	26,125	28,444	12.70%	31,500	6.98%
6000	Sudbury Housing Authority	28,675	23,214	-19.04%	24,693	6.37%
6100	Wilmington Housing Authority	21,919	24,091	9.91%	25,438	5.59%
6200	Acton Housing Authority	60,393	65,147	7.87%	69,434	6.58%
6300	Burlington Housing Authority	21,640	15,190	-29.81%	16,012	5.41%
6400	Ayer Housing Authority	33,261	32,019	-3.73%	33,983	6.13%

Middlesex County Retirement System
Preliminary January 1, 2014 Actuarial Valuation Results
Appropriations by Unit

Unit Code	Unit Name	2015 Budgeted Appropriation	2016 Appropriation, 6.5% Increases	% Increase	2017 Appropriation, 6.5% Increases	% Increase
6500	Holliston Housing Authority	15,433	20,105	30.27%	21,320	6.04%
6600	Littleton Housing Authority	24,500	30,105	22.88%	31,856	5.82%
6700	Westford Housing Authority	31,870	35,704	12.03%	37,649	5.45%
6800	Shirley Water District	17,598	18,207	3.47%	19,648	7.91%
6900	Tyngsboro Housing Authority	25,487	32,341	26.89%	34,252	5.91%
7000	Pepperell Housing Authority	7,493	9,084	21.23%	9,655	6.29%
7100	Groton Housing Authority	2,770	2,290	-17.33%	2,408	5.15%
7200	Tyngsboro Water District	20,194	28,550	41.38%	30,440	6.62%
7400	North Reading Housing Authority	9,798	10,459	6.75%	11,063	5.77%
7500	West Groton Water	7,017	5,710	-18.63%	5,961	4.40%
7600	Ayer-Shirley RSD	295,115	408,108	38.29%	434,035	6.35%
Total		\$94,523,281	\$100,667,294	6.50%	\$107,210,668	6.50%



EXECUTIVE SUMMARY AND OVERVIEW OF THE SPECIAL EDUCATION REVIEW

December 28, 2012

INTRODUCTION

In anticipation of the forthcoming full report, this executive summary is presented in order to provide an overview of the initial findings and prospective recommendations. It is hoped that the presentation will prompt meaningful discussions regarding the findings, the programmatic and fiscal viability of the proposed recommendations, and future directions for this partnership. The executive summary is organized in a similar fashion to the forthcoming report: *Related Services, Paraprofessional Supports, Counseling and Psychological Services, and Financial Considerations.*

PRELIMINARY FINDINGS

- The 2 S-LPs are considered to be generous staffing model based on the experience of the authors. Typically, services are more consultative in nature as students progress to secondary level, however a review of the IEPs suggests the following deviations of expected practice patterns: (1) students are receiving a very high amount of service minutes and some are actually having an increase in service minutes; (2) students are still qualifying for students even though standardized testing reveals skills to be within expected levels; and (3) in one case student was receiving articulation therapy despite his age.
- Occupational Therapy (OT) and Physical Therapy (PT) are appropriately delivered as consultative services at the secondary level. With respect to OT, it was not clear in two cases how direct services addressing "handwriting" and "folding paper" was educationally relevant and appropriate.
- The utilization of paraprofessionals is efficient and appropriate. At the JHS there are 15.1 FTE paraprofessionals and at the HS there are 19.6 FTE for a total of 34.7 FTE. Only one para-professional is a 1:1 and it is very appropriate. If we exclude the 54 OOD students, and use the 436 in-District students with IEPs, the ratio is 11:1 and compares to an expected ratio of 8.5:1.
- The 19.4 FTE Behavioral Health personnel breaks out as follows:

<u>Position</u>	<u>Junior HS</u>	<u>HS</u>	<u>Total</u>
Psychologist	2.0	4.0	6.0
Counselors	4.0	8.8	12.8
Social Worker		0.6	0.6



This overall ratio equates to 23:1, which is in line with an expected ratio of 22:1.

- Comparing Acton and Acton-Boxborough to Districts similar in size and demographics indicates a potential Municipal Medicaid Revenue of approximately \$ 90,463 for Acton and approximately \$107,355 for Acton-Boxborough Regional. (A more accurate estimate will be determined upon analysis of the District special education services provided to Medicaid eligible students).
- The CASE Collaborative provides special education Transportation services to the Acton, Boxborough and Acton-Boxborough Regional School Districts utilizing a multi-district routing and scheduling and cost sharing methodology. They currently transport a total of 217 students on routes which are cost shared with Acton, Boxborough and Acton-Boxborough Regional, which include 119 students collectively from these Districts to a total of 43 different placement/program locations.
- Without the ability to participate in multi district routing and cost sharing the Districts would spend considerably more to transport the same number (119) students to the same in district and out of district locations. Based upon current CASE transportation assessments and the current numbers of students and program locations, the Acton and Acton-Boxborough School transportation costs are approximately \$47.72 per student per day for Acton and \$ 78.42 per student per day for Acton-Boxborough Regional; both of which are significantly less than the average State cost for similar transportation.

PRELIMINARY RECOMMENDATIONS

- Conduct an on-going focus review of students receiving speech-language supports at the secondary level with enactment of workload as part of entry and exit criteria. It is expected that 1 FTE will be able to cover the entire caseload with a primarily consultation model. Across the Regional and APS, it is expected that 5.5 FTE S-LPs can reasonable address student needs.
- Although the number of paraprofessionals and behavioral health providers are appropriate, specific professional development to build capacity for a bring back-keep in initiative is considered to be an excellent investment of District resources.
- The Lower Pioneer Valley Educational Collaborative routinely provides Municipal Medicaid billing services throughout Western Massachusetts for over 30 municipalities and school districts. They also provide an analysis of the current District Medicaid revenue at no charge. Based upon this analysis the District can choose to contract with the LPVEC for Medicaid billing services. The services of the LPVEC are exempt from bidding under Ch. 30B M.G.L. as an intergovernmental agreement.



- It may be possible for the District to eliminate 1 bus in Tier 1 and redistribute the student load and reconfigure the routes in Tier 1 to absorb those added students. Based upon our preliminary analysis it may be possible to eliminate Bus 9 in Tier 1 only. It currently has the fewest students scheduled (45). In order to make a final determination, it would be necessary to conduct an actual head count of each bus at each school location. Based upon this actual head count, it would be possible to determine whether the remaining routes can actually absorb these added students.

DRAFT

**AN ASSESSMENT OF THE SPECIAL EDUCATION
PROGRAMS AND SERVICES
for the
ACTON-BOXBORO REGIONAL SCHOOL DISTRICT
and the
ACTON PUBLIC SCHOOLS**

Conducted by Futures Education

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Respectfully Submitted:

June 2013



Executive Process Summary

The leadership of the Acton-Boxboro Regional School District (ABRSD) and the Acton Public Schools (APS) commissioned this review of specific areas within the domain of its Pupil Services Department. The review entailed a triangulation of information gathered from: qualitative sources, quantitative analyses, and established benchmarks with respect to school-based practices. More specifically, the qualitative analyses comprised: (1) a series of interviews with related service providers, educators, para-professionals, administrators (central office and school-based), and parents; (2) a review of documents (i.e., IEPs) to ascertain the nature of interventions; (3) site visits to in-district programs; and (4) an understanding of the methods used to deliver special education services to students in reference to best practice, student outcomes, and Least Restrictive Environments (LRE). Quantitative analyses included: (1) multidimensional descriptive statistical analyses of the District's instructional, related services, and support personnel in reference to staffing configurations, workloads, and service delivery models; and (2) a review relating to the costs (i.e., transportation) and potential sources of revenue (i.e., Municipal Medicaid).

Glossary of Terms and Abbreviations

ABA: Applied Behavioral Analysis

AIR: Availability Index Ratio

DESE: (Massachusetts) Department of Education and Secondary Education

Effectiveness: The degree to which the services under review promote optimal educational outcomes and student access to the curriculum

Efficiency: The degree to which the special education services and personnel under review are responsibly, uniformly, and optimally utilized to ensure District resources are being expended in a fiscally sound manner

FAPE: Free and Appropriate Public Education

FTE: Full-time equivalent

IDEA: Individuals with Disabilities Education Act

IEP: Individualized Education Program

LEA: Local Education Agency

LRE: Least Restrictive Environment

OOD: Out of District Placements

OT: Occupational Therapist or occupational therapy services

PD: Professional development

PLEP: Present Levels of Educational Performance (from an IEP)

PLC: Professional Learning Community

PT: Physical Therapist or physical therapy services

RSP: Related Service Provider

RtI: Response to Intervention

SWD: Students with Disabilities

S-LP: Speech-Language Pathologist or speech-language pathology services

TA: Teaching Assistant



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PROJECT SCOPE AND METHODOLOGICAL OVERVIEW

As mutually agreed upon between Futures Education and the leadership of ABRSD and APS, the purpose of this analysis is to describe, analyze, and provide recommendations to improve specific aspects of its special education delivery system. The particular areas under investigation included: (1) transportation services; (2) a review of related services; (3) the assignment and utilization of para-professional supports; and (4) the counseling and psychological services model.

As agreed to in the Proposal, the methodology entailed: a review of educational documents (i.e., Individualized Education Programs), descriptive and inferential statistical analyses, site visits, and confidential interviews with a representative number of stakeholders that allowed for a variety of perspectives.¹ Therefore, given the breadth and depth of these multiple sources, the results that are reported within this document represent recurring themes from the interviews (outlying comments were not included as part of the primary findings) coupled with quantitative data.

In consideration of the content areas that were addressed by multiple areas, and for ease of presentation, the document is configured with respect to two primary constructs: *Program Review* (comprising related services, paraprofessional utilization, and the counselor and psychology model) and *Financial Review* (comprising transportation and Medicaid). In turn, each of these two sections is divided into *Findings* and *Recommendations*. The document concludes with a *Final Commentary and Prospective Future Directions* that considers the findings with respect to the global aspects of programmatic effectiveness, fiscal viability, and potential directions leadership may consider as part of its strategic planning.²

INTRODUCTORY COMMENTARY

At the outset of this report, the authors wish to acknowledge Liza Huber, the Director of Pupil Services, all of her staff, and the school personnel for their help in facilitating all the needed logistics for this analysis. A project of this scope necessitates a great amount of effort in securing documents, staff for interview, physical space for the team, and a myriad of other requirements. The team is grateful for the grace, poise, and hospitality shown to us.

As shall be elaborated in that section of the report, the review team was extremely impressed with the continuum of services provided to the Districts' students. The APS and ABRSD staff, both special and general educators alike, takes justifiable pride in the quality of programs and supports that make the educational experience an extremely rich and meaningful one for students with educational disabilities. This programmatic excellence begins with a model pre-school program and is marked by an impressive continuum of services for students through grade 12. It is the authors' hope that the recommendations provided within this document will enhance what is already an exemplary program with respect to its effectiveness and fiscal efficiencies.

¹ A list of interviewees, categorized by stakeholder group, is presented in Appendix A

² Given the programmatic, and thus fiscal, connectivity of APS and ABRSD, this document combines the findings from the two phases that investigated identical areas across both districts.



PROGRAM REVIEW

FINDINGS

Related Service Providers

- As per the interviews, clinical related services providers (RSPs; comprising the SLPs, OTs, and PTs) evidence a solid understanding of the educational (vs. clinical) model of services that constitute their school-based practice. This contribution of the providers to maximizing educational outcomes appears to be enhanced by their support of teachers via integrated IEPs, participation in Student Assistance Teams, and overall presence at their respective schools. Thus the horizontal alignment, or the degree to which the interventions provided by the RSPs support educational growth, can be considered quite strong.

Per report, the RSPs also do a good job in explaining the distinction between educational and clinical orientations of service delivery to parents, advocates, and other IEP stakeholders. It is notable that the RSPs and other interviewees have noted that the District administrators have been much better at supporting their decisions in recent years, and that the consistent message that related services are designed to support student access the academic curriculum has been integral in creating both a “culture of celebration” when students are exited from services and a more amicable atmosphere at IEP meetings.

- Another dimension in considering the effectiveness of services and programs is vertical alignment. For the purposes of this discussion, vertical alignment can be defined as the continuity and consistency of practices as students progress from one program (or grade) to another. In a finding that appears to echo the common theme of a need to make APS and ABRSD more uniform, there are reports among some of the RSPs that eligibility for services and the scope of practice could be more uniform.
- It is notable that the RSPs across both Districts note an absence of a formal document that specifies criteria-guidelines that would allow greater data-driven decision making. In general, per report, the S-LPs and OTs are using a quantitative criterion of 1 standard deviation below the mean on standardized tests (i.e., a standard score of 85, as compared to the conventional standard score of 77 that equates to a 1 and ½ standard deviations below the mean). Arithmetically, this relatively liberal criterion accounts for a 9% “swing” of students are eligible for services, where consultation, Response to Intervention (RtI)-influenced interventions, and home programs might be more appropriate modalities to support students.
- The RSPs under review available to support special education students was gauged by benchmarking the number of full-time equivalent (FTE) staff members under review to the overall APS special education population of approximately 393 education students. In essence, this statistic is an “availability index ratio (AIR)” and allows an equivalent comparison of other districts with respect to staffing. The AIR is reported, but is a less valid metric for ABRSD staffing, as RSP services are typically more consultative at the secondary level.

APS

- The AIR vis-à-vis the 7.3 FTE speech-language staff is 54:1 (i.e., for every 54 students in special education there is 1 S-LP available to them; this does not equate to their caseloads), and compares to other districts that typically range from 50:1 to 115:1. The average weighted caseloads of the S-LPs is 48, and compares to average caseload of 40 reported in the most recent (2010) school survey provided by the American Speech-Language-Hearing Association.³
- The AIR for OT services, comprising 2 FTE OTs and 1.3 COTA, is 120:1, and is considered to be a generous staffing model in comparison to other districts that average 180:1.
- The AIR for PT services is approximately 393:1, and compares with an expected ratio of 350:1. However, the caseload of 33 students is within the expected caseload based on our past analyses.

ABRSD

- Despite the AIR of 215:1, the 2 S-LPs are considered to be generous staffing model based on the experience of the authors. Typically, as previously mentioned, services are more consultative in nature as students progress to secondary level; however a review of the IEPs suggests the following deviations of expected practice patterns: (1) students are receiving a very high amount of service minutes and some are actually having an increase in service minutes when they graduate to ABRSD; and (2) students are still qualifying for services even though standardized testing reveals skills to be within expected levels.
- Occupational Therapy (OT) and Physical Therapy (PT) are appropriately delivered as consultative services at the secondary level. However, with respect to OT, it was not clear in two cases how direct services addressing "handwriting" and "folding paper" was educationally relevant and appropriate.

Counselor and Psychology Delivery Systems

- In concert with the previous discussion regarding the RSPs, the school counselors and psychologists are viewed as effective team members. More specifically, there was unanimity among those interviewed who reported that the school counselors and psychologists possess a great deal of knowledge, energy, and talents that optimally support student achievement. In response to the question of how these services could be improved, the universal response was "we need more of them."
- Roles, responsibilities, and guidelines for staff working with disabled students appear to be consistently defined across Districts. In this regard, School Psychologists and Counselors

³ The authors acknowledge that this is an imperfect comparison given that there are assistants that support the delivery of the S-LP services.

displayed considerable reliability in describing their roles and assignments, which were consistent with best practices. There are also unusual shared roles (e.g., counselors performing cognitive testing), which in most other districts is non-existent.⁴ Assessments are equitably distributed among the proper staff in the Districts.

- The authors were particularly impressed by the model used in ABRSD. Whereas a trend in many schools has been to reduce direct time with students and staff in lieu of testing, psychologists in ABRSD actually spend time with teachers and students. In addition to the shared roles noted above, psychologists are closely aligned with special education programs providing individual counseling for students with disabilities, co-leading social pragmatics and life-skill groups, meeting with parents and teachers, and chairing pre-referral team sessions. This student-centered effort also applies to all students (i.e., those with and without IEPs).
- The selection of psychological and educational achievement assessment instruments is applied District-Wide: There is a standardized set of procedures and instruments that are used consistently from school-to-school. The particular instruments utilized are established as valid and highly reliable; this practice provides for a common language for parents and teachers, and is more cost-effective and efficient than a “hodge-podge” of diverse test kits.
- In the District, diagnoses of Specific Learning Disability (SLD) are strongly based on the Ability – Achievement Discrepancy Model, which compares the student’s scores on cognitive tests with scores on tests of academic achievement. The Individual with Disabilities Act of 2004 and subsequent addendums discourage the use of the Discrepancy Model in favor of using “patterns of strength(s) and weakness”, as measured by multiple sources and evidential data.
- In general, however, no concern was expressed in regard to over-identification of disabilities, and referrals for evaluation are generally appropriately generated, received, and processed. However, in a variable that may affect the over or under identification of students with disabilities, the child study process is reportedly applied inconsistently across APS. Also, there was strong indication that a model for RtI is not as developed as it could be.

From a contextual perspective it is important to note that RTI is: (1) not intended to be a Special Education initiative, and thus should be considered within the singular purview of general education; (2) can be measured as an effective preventive and pre-referral process to the degree it addresses student needs prior to a special education referral; and (3) a robust process that, in order to be implemented with fidelity, requires training, collaboration, leadership, and the establishment of supports for all students (e.g., academic support centers).

⁴ This practice of sharing cognitive evaluations can be of efficient benefit to Special Education administration and service. It is not considered inappropriate, as long as the examiner has a graduate degree in a related field and there is certification of proper and professional training in the administration and interpretation of the test instrument. There appears to be sufficient supervision by the school psychologist(s) in this regard.



- The staffing models of the behavioral health providers (inclusive of other staff that support the emotional and behavioral health of students) across both APS and ABRSD was considered using the AIR metric. With respect to APS, there are 2 psychologists, 5 counselors, and 1 BCBA coordinator, equating to 8 FTE behavioral health providers. This ratio equates to an AIR of 49:1, and compares to an expected ratio of 21:1.

At ABRSD, the 19.4 FTE Behavioral Health personnel break out as follows:

<u>Position</u>	<u>Junior HS</u>	<u>HS</u>	<u>Total</u>
Psychologist	2.0	4.0	6.0
Counselors	4.0	8.8	12.8
Social Worker		0.6	0.6

This overall AIR of the staff equates to 23:1, which is in line with an expected ratio of 22:1.

Para-Professional Utilization and Supports

- Per multiple interviews, the para-educators (comprising teaching assistants and ABA trainers), are viewed as necessary and capable professionals that effectively support students and staff. The Districts’ leadership is to be commended for ensuring that they have had necessary training and Professional Development (PD) to support students with unique needs. In consideration of the low number of students in Out of District placements (20, or 5% of the APS special education level), the investment of PD is considered to be especially critical.⁵
- From a qualitative perspective, the District appears to be quite judicious in its assignments of 1:1 paraprofessionals, and is in keeping with the growing culture at the IEP “table” to promote student independence. Aside from the ABA assistants, who are specifically trained to support students on the autism spectrum, a review of the IEPs suggests that students who are assigned 1:1 or shared para-educators are truly in need of this level of supports.
- In consideration of the 70.9 para-educators at APS (comprising 55.74 assistants and 15.11 ABA trainers), this equates to an AIR of 5.4, and equates to an expected ratio of 8.5:1. However, this staffing model must be seen through the lens of 5 mitigating factors:

⁵ APS and ABRSD staff and administration is to be commended for its long-range effort to return students from OOD placements. Clearly, the trend has been to return students to local program options. As a result, APS out-of-district placements have declined by 37% since FY08 and are currently less than 5% of the special education population. Similarly, ABRSD has substantially reduced OOD placements over the same period (-24%). However, the current 54 OOD students (12.4% of the SPED population) remains higher than what might be expected suggesting that the additional effort will be required to reduce the number of OOD students. Part of the answer is to develop new in-district options.

- APS is committed to an inclusion model, and according to the latest data from DESE, it is well-above state averages in supporting full inclusion (i.e., approximately 23% above the state average).
 - The 21 FTE special education teachers equates to an AIR of 18:1, which is less highly staffed than an expected AIR of 15:1.
 - As mentioned previously, APS has many more students within the District with higher needs that would otherwise be in out of district placements; placements that are relatively expensive.⁶
 - The “front-loading” configuration of relatively high para-professional supports in APS is allowing an attenuation of these supports, and thus student independence, at the secondary level (as stated below).
 - There is not always a clear connection between general education core subjects and special education pull-out services. Although the general/special education interface has reportedly improved over the last few years, remedial special education services are not always coordinated with general education curriculum, and there tends to be a high level of SPED pull-out during core subject sessions.
- The staffing level of paraprofessionals at ABRSD is appropriate. At the JHS there are 15.1 FTE paraprofessionals and at the HS there are 19.6 FTE for a total of 34.7 FTE. Only one para-professional is a dedicated 1:1 assignment, and it is deemed appropriate based on the review of pertinent records. If one excludes the 54 OOD students, the 382 in-District students with IEPs equates to a ratio of 11:1, and compares to an expected ratio of 8.5:1.

RECOMMENDATIONS

- It is recommended that the S-LPs and OTs convene to create Districts-wide exit and entry guidelines and criteria. As part of this, it is suggested that the cut-off score for skilled services incorporate the statistical criterion of 1 and ½ standard deviations on composite scores and the intensity of service minutes correlate to educational impact.⁷ The presumptive reduction of mandated services would allow:
- Greater utilization of S-LP staff in special education classrooms to support co-teaching models.

⁶ K-6 OOD placements have decreased from 27 to 17 (37%) since FY08. The preschool has not placed a student out of the district in 3 years. The 3 preschool students currently placed out will age out this year.

⁷ On average, each student with S-LP services is receiving over 60 minutes of intervention per week at APS; re-calibrating intensity of services could support the S-LPs' role in supporting individual schools.



- An increased OT presence to bolster sensory and behavioral supports in self-contained classrooms (e.g., the pre-school program).
- Conduct an on-going focus review of students receiving speech-language supports at the secondary level with enactment of workload as part of entry and exit criteria. It is expected that 1 FTE will be able to cover the entire caseload with a primarily consultation model. This will allow greater S-LP presence and support in the lower grades, where the District can realize maximal return on investment of this service.
- The school psychologists may choose to convene to further operationalize the criteria for eligibility for a specific learning disability. The criteria should include, and emphasize, factors outside of the traditional discrepancy model that accounts for functional student performance, interventions through a traditional RtI model, and a data-driven process that ensures special education evaluation is the first resort, and not the last resort, for educational teams to consider.

It is therefore recommended that the District leadership, in conjunction with the principals, devise a rubric that clearly explains to staff the critical relationship between, and among, these early intervening processes. In this manner greater continuity and consistency within APS and across Districts may be enhanced.

Pre-referral success might also be enhanced by creating an Academic Support Center model similar to the program at ABRSD. Additionally, a district-wide behavioral intervention program, such as Positive Behavioral Interventions and Supports (PBIS), would be beneficial for addressing concerns expressed by some interviewees.

- A paraprofessional-Response to Intervention (RtI) interventionist hybrid model for highly qualified (HQ) para-educators is recommended. This model will: (1) assure that the most qualified personnel are available to students; and (2) recognize the highly qualified status of designated para-educators and thus improving their morale. Furthermore, in keeping with the aforementioned HQ model, and if current union regulations permit, it may be possible for paraprofessionals who demonstrate competencies in these areas to address students with these corresponding needs.
- Continued PD and training for paraprofessionals is essential to ensure maximal return on investment; these trainings may include reinforcing adaptive behaviors, addressing the unique needs of students with autism, assistive technology, and reading and math supports.
- Moving forward, general education teachers would benefit from PD focused on more awareness of disability types (especially Autism). Special education teachers would benefit from PD focused on Common Core benchmarks and training in math and reading. The goal should be to establish a stronger link between general education Common Core standards and special education support services.
- The District may consider what many other districts have opted to do, which is to take monies earmarked for para-professional supports and devote them to hiring more certified teachers. In this manner, co-teaching capacity may be expanded, and because students



are receiving instructional supports within the classroom with a certified professional, it proves to be a more effective paradigm for students in special education and struggling learners within the classroom. In addition, the caseloads of the special education teachers effectively decreases because students served by para-professionals are, by law and regulation, "counted" on their caseloads and the teachers are still responsible for monitoring, communication with parents, and other activities beyond the purview of the assistants.

FINANCIAL REVIEW

This review provides particular focus on the District's special education transportation services, which required a review of regular transportation routes as well. The Municipal Medicaid program, which is one of the few revenue sources available to the Districts, was considered as an additional component of the study.

FINDINGS

Transportation

- The CASE Collaborative utilizes 46 vehicles for these cost shared routes and the average student load per vehicle is 4.72 students. This average loading factor exceeds the State average for similar transportation services. The average route time for the Districts' students is approximately 25 minutes for in-District and 47 minutes for out of district students; both of which are well within acceptable standards for special education transportation.
- The CASE Collaborative provides special education Transportation services to APS and ABRSD utilizing a multi-district routing and scheduling and cost sharing methodology. They currently transport students on routes that are cost-shared with APS and ABRSD; these include 119 students collectively from these Districts to 43 different placement/program locations. Without the ability to participate in multi-district routing and cost sharing the Districts would spend considerably more to transport the same number (119) students to the same in district and out of district locations either as self-operated or by contracted services.
- Based upon current CASE transportation assessments and the current numbers of students and program locations, the Districts' transportation costs are approximately \$47.72 per student per day for APS and \$78.42 per student per day for ABRSD; both of which are significantly less than the average State cost for similar transportation.
- The District currently operates 26 buses daily: 25 buses for Tiers 2 & 3 and 26 buses for Tier 1. It may be possible for the District to eliminate 1 bus in Tier 1 and redistribute the student load and reconfigure the routes in Tier 1 to absorb those added students. Based upon our preliminary analysis, it may be possible to eliminate Bus 9 in Tier 1 only as it currently has the fewest students scheduled (45).



Medicaid

- Comparing the Districts similar in size and demographics indicates a potential Municipal Medicaid Revenue of approximately \$ 90,463 for APS and approximately \$107,355 for ABRSD.

RECOMMENDATIONS

- It may be possible for the District to eliminate 1 bus in Tier 1 and redistribute the student load and reconfigure the routes in Tier 1 to absorb those added students. Based upon our preliminary analysis it may be possible to eliminate Bus 9 in Tier 1 only. It currently has the fewest students scheduled (45). In order to make a final determination, it would be necessary to conduct an actual head count of each bus at each school location. Based upon this actual head count, it would be possible to determine whether the remaining routes can actually absorb these added students.
- The Lower Pioneer Valley Educational Collaborative (LPVEC) routinely provides Municipal Medicaid billing services throughout Western Massachusetts for over 30 municipalities and school districts. They also provide an analysis of the current District Medicaid revenue at no charge. Based upon this analysis the District can choose to contract with the LPVEC for Medicaid billing services. The services of the LPVEC are exempt from bidding under Ch. 30B M.G.L. as an intergovernmental agreement.

SUMMARY AND FINAL COMMENTARY

The authors concur with the interviewees: The Districts' special education programs are extremely well-led by Ms. Huber. En toto, the department provides exemplary educational services and programs to its students that are in keeping with the letter and spirit of the policies and procedures contained within IDEA and the state of Massachusetts. The programs offered to students with disabilities are both programmatically sound and are fiscally responsible. The authors reiterate what we consider to be the seminal programmatic and fiscal actions APS and ABRSD leadership may consider to enhance the effectiveness and efficiency of its special education delivery system:

1. Re-calibrate entry and exit criteria and guidelines for S-LP and OT services, thus allowing these service providers to support students outside of the IEP process; re-calibrate criteria for specific learning disabilities.
2. Further refine the Rtl-SAT (including an academic support center) processes throughout the districts to ensure uniformity and consistency, thus ensuring special education is the last option in a continuum of supports.



3. Ensure the return on investment for the generous para-educator staff with continued professional development and a re-consideration of the roles and responsibilities of the para-educators based on their expertise.
4. Enhance appropriate revenues through the Medicaid program through policies and procedures.
5. It is estimated that with students transitioning from the junior high school, the possibility of returning students from out-of-district placements and existing students on the spectrum, approximately 18-22 would provide a solid core for a high school *Connections* program.⁸
6. Consideration should be given to adopting a more uniform K-6 model across APS and thus avoid unnecessary transitions.

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Appendix A: Summary of Interviews Conducted by the Futures Education CESA Team

<u>Individuals</u> <u>Interviewed</u>	<u>Interviewer</u>			<u>Totals</u>
	<u>#1</u>	<u>#2</u>	<u>#3</u>	
Central Office Administrators/Coordinators	3	8 ⁹	1	12
Principals	3	3	1	7
Assistant Principal	2	1	1	4
Special Education Teachers	15	6	2	23
General Education Teachers	1	2	2	5
Psychologists		5	1	6
School Counselors		5	5	10
Speech-Language Pathologists	3	6		9
Physical Therapist	2	1		3
Occupational Therapists	2			2
Social Worker		1		1
Teacher Assistants	6	8	2	16
ABA Trainers		2		2
Parents		6		6
<u>Totals</u>	<u>37</u>	<u>54</u>	<u>15</u>	<u>106</u>

⁹ In some instances, more same staff member was interviewed by multiple team members



Appendix B: Out of District and Pertinent Budget Information

Acton-Boxboro Regional School District

Enrollment

Regional JH/HS October 1, 2012 enrollment: 2,969
Special education enrollment: 436 (14.7%)
OOD Placements: 54 (12.4); 33 [61%] and 21 collaborative [39%] 33 private = 7.6% of total Sped; 21 = 4.8%)

Budget:

The OOD expenditures suggest that the district has utilized local and collaborative public day placements to its advantage by decreasing private placements. Since FY07, OOD placements have decreased by 14 students (-20.6%). The current 54 students in OOD placements, however, are still considered to be on the high side. In-district programming whenever possible should remain as a high priority.

Acton Public Schools

Enrollment

APS administration provided student enrollment data from FY07 through October 1, 2012. During that time period, general education enrollments **declined from 2602 to 2501(3.9%)**; SPED enrollments during that same period **declined from 460 to 404 (12.2%)**. Currently, students on IEPs account for 16.2% of the FY13 total district enrollment (based on the October 1, 2012 data):

Acton October 1, 2012 total enrollment: 2,501
Special education enrollment: 404 (16.2%)
OOD Placements: 20 (5.0%)

Of particular note is that there are currently only 3 pre-school OOD placements and they will age-out this year. **There have been no new OOD pre-school placements in 3 years.**



Budget:

- The FY13 APS Budget is \$26,562,103
- Special Education approximately 22.5% = \$5,976,000
- OOD Tuitions: \$1,066,495 private; \$357,688 Collaborative; Total = \$1,424,183 (approximately 23.8% of SPED budget)
- Total teacher assistant salaries = \$2,050,240 (approximately 34.3% of SPED Budget)
- Autism Continuum PK and Connections K-6:

Estimated Per Pupil Costs:

BCBA	\$	74,263
ABA Trainers		579,580
Teachers (3 x \$73,924)		221,772
Benefits, etc. @20%		175,123 (est.)
Incidental Costs @10%		<u>87,562 (est.)</u>
		\$1,138,300

43 Students \$26,472/Students



Appendix C: Discipline Workload Analysis

Discipline Workload Summary - Physical Therapy

Total Hours Analyzed	46.75	
Number of Staff	2	
Number Full Time Equivalent (FTE) Staff	1.2	
Total Hours Minus Testing	43.25	
Total Testing Hours (% in italics)	3.5	
Total Direct Service Hours (% in italics)	31	71.7%
Individual	9.25	29.8%
Group	19.5	62.9%
Consult	2.25	7.3%
Total Indirect Service Hours (% in italics)	12.25	28.3%
Travel	3.5	28.6%
Other	8.75	71.4%

Therapist Caseload Ranges

	MIN	MAX
caseload	17	33
wt caseload	35	44

Therapist Workload Percentages

	MIN	MAX
group	45	72
individual	23	43
consult	5	12
direct	62	78
testing	7	8
other	6	24
travel	7	9

	AVG	units/caseload
Caseload	25	1.84
Wt caseload	39.5	
Units	46	



Individual Breakdown of Weekly Workload by Therapist

PT										
Service	Mon	Tues	Wed	Thurs	Friday	Totals	%s	Caseload	Wt case	Units
group	1	0	2.75	1	0	4.75	0.45	17.00	44	27
individual	2	0	1.5	1	0	4.5	0.43			
consult	0.25	0	0.5	0.5	0	1.25	0.12			
direct	3.25	0	4.75	2.5	0	10.5	0.78			
testing	0	0	1	0	0	1	0.07			
other	0	0	0	0.75	0	0.75	0.06			
travel	0.5	0	0.25	0.5	0	1.25	0.09			
Total Hours	3.75	0	6	3.75	0	13.5	1.00			

PT										
Service	Mon	Tues	Wed	Thurs	Friday	Totals	%s	Caseload	Wt case	Units
group	4.75	5	2	1	2	14.75	0.72	33.00	35	65
individual	1.25	0.5	0.5	0.5	2	4.75	0.23			
consult	0.25	0	0	0.5	0.25	1	0.05			
direct	6.25	5.5	2.5	2	4.25	20.5	0.62			
testing	0	0.5	1	1	0	2.5	0.08			
other	1.5	1.25	1	2.25	2	8	0.24			
travel	0.75	0.5	0.5	0.25	0.25	2.25	0.07			
Total Hours	8.5	7.75	5	5.5	6.5	33.25	1.00			

Discipline Workload Summary - Occupational Therapy

Total Hours Analyzed	172	
Number of Staff	5	
Number Full Time Equivalent (FTE) Staff	4.6	
Total Hours Minus Testing	161	
Total Testing Hours (% in italics)	11	
Total Direct Service Hours (% in italics)	103.25	64.1%
Individual	16.5	16.0%
Group	80.5	78.0%
Consult	6.25	6.1%
Total Indirect Service Hours (% in italics)	57.75	35.9%
Travel	5	8.7%
Other	52.75	91.3%



Therapist Caseload Ranges

	MIN	MAX
caseload	51	67
wt caseload	51	78

Therapist Workload Percentages

	MIN	MAX
group	46	89
individual	8	26
consult	0	28
direct	41	71
testing	0	16
other	26	40
travel	1	5

	AVG	units/caseload
Caseload	58	1.52
Wt caseload	66.3	
Units	100.6	

Individual Breakdown of Weekly Workload by Therapist

OT

Service	Mon	Tues	Wed	Thurs	Friday	Totals	%s	Caseload	Wt case	Units
group	3.5	4	2.5	0	3.25	13.25	0.71	56.00	70	103
individual	1.25	2	1	0	0.5	4.75	0.25			
consult	0.75	0	0	0	0	0.75	0.04			
direct	5.5	6	3.5	0	3.75	18.75	0.59			
testing	0	0	1	0	1.5	2.5	0.08			
other	2.25	2	3.5	0	2.5	10.25	0.32			
travel	0.25	0	0	0	0.25	0.5	0.02			
Total Hours	8	8	8	0	8	32	1.00			

OT

Service	Mon	Tues	Wed	Thurs	Friday	Totals	%s	Caseload	Wt case	Units
group	3.75	2	5.5	5.5	0	16.75	0.89	67.00	78	120
individual	1	0.5	0	0	0	1.5	0.08			
consult	0.5	0	0	0	0	0.5	0.03			
direct	5.25	2.5	5.5	5.5	0	18.75	0.63			
testing	0	2	0	0	1	3	0.10			
other	1	2	1	1	3	8	0.27			
travel	0.25	0	0	0	0	0.25	0.01			
Total Hours	6.5	6.5	6.5	6.5	4	30	1.00			

OT

Service	Mon	Tues	Wed	Thurs	Friday	Totals	%s	Caseload	Wt	Units
---------	-----	------	-----	-------	--------	--------	----	----------	----	-------



									case	
group	2.5	1.5	0	0	2.5	6.5	0.46	51.00	51	79
individual	0.5	2	0.5	0	0.75	3.75	0.26			
consult	0.5	1	0.5	1	1	4	0.28			
direct	3.5	4.5	1	1	4.25	14.25	0.41			
testing	0	0	2.5	2	1	5.5	0.16			
other	3	2.5	3.5	3.5	1.5	14	0.40			
travel	0.5	0	0	0.5	0.25	1.25	0.04			
Total Hours	7	7	7	7	7	35	1.00			

COTA

Service	Mon	Tues	Wed	Thurs	Friday	Totals	%s	Caseload	Wt case	Units
group	5	5.25	5.25	3.75	4	23.25	0.87			
individual	0.5	0	0	0.5	1.5	2.5	0.09			
consult	0	0	0	0	1	1	0.04			
direct	5.5	5.25	5.25	4.25	6.5	26.75	0.71			
testing	0	0	0	0	0	0	0.00			
other	1.5	2.25	2.25	2.75	1	9.75	0.26			
travel	0.5	0	0	0.5	0	1	0.03			
Total Hours	7.5	7.5	7.5	7.5	7.5	37.5	1.00			

COTA

Service	Mon	Tues	Wed	Thurs	Friday	Totals	%s	Caseload	Wt case	Units
group	3.75	4	5	4.5	3.5	20.75	0.84			
individual	1.5	0	1.5	0	1	4	0.16			
consult	0	0	0	0	0	0	0.00			
direct	5.25	4	6.5	4.5	4.5	24.75	0.66			
testing	0	0	0	0	0	0	0.00			
other	1.75	3.25	0.5	2.5	2.75	10.75	0.29			
travel	0.5	0.25	0.5	0.5	0.25	2	0.05			
Total Hours	7.5	7.5	7.5	7.5	7.5	37.5	1.00			

Discipline Workload Summary - Occupational Therapy

Total Hours Analyzed	397.5	
Number of Staff	16	
Number Full Time Equivalent (FTE) Staff	11.4	
Total Hours Minus Testing	356.5	
Total Testing Hours (% in italics)	41	
Total Direct Service Hours (% in italics)	212.5	59.6%
Individual	68	32.0%
Group	121.5	57.2%



Consult	23	10.8%
Total Indirect Service Hours (% in italics)	144	40.4%
Travel	0.5	0.3%
Other	143.5	99.7%

Therapist Caseload Ranges

	MIN	MAX
caseload	10	82
wt caseload	35	82

Therapist Workload Percentages

	MIN	MAX
group	22	93
individual	0	63
consult	0	24
direct	30	72
testing	0	23
other	21	47
travel	0	1

	AVG	units/caseload
Caseload	41.3	2.17
Wt caseload	48.8	
Units	101	

Individual Breakdown of Weekly Workload by Therapist

SLP

Service	Mon	Tues	Wed	Thurs	Friday	Totals	%s	Caseload	Wt case	Units
group	4	4	4	4	0	16	0.93	82.00	82	249
individual	0	0	0	0	0	0	0.00			
consult	0.25	0	0.25	0	0.75	1.25	0.07			
direct	4.25	4	4.25	4	0.75	17.25	0.49			
testing	1	1	1	1.5	3.5	8	0.23			
other	1.75	2	1.75	1.5	2.75	9.75	0.28			
travel	0	0	0	0	0	0	0.00			
Total Hours	7	7	7	7	7	35	1.00			

SLP

Service	Mon	Tues	Wed	Thurs	Friday	Totals	%s	Caseload	Wt case	Units
group	0	2.5	0	2.5	0	5	0.67	18.00	45	36
individual	0	0.75	0	0.75	0	1.5	0.20			
consult	0	0.5	0	0.5	0	1	0.13			



direct	0	3.75	0	3.75	0	7.5	0.54
testing	0	0.75	0	0.5	0	1.25	0.09
other	0	2.5	0	2.75	0	5.25	0.38
travel	0	0	0	0	0	0	0.00
Total Hours	0	7	0	7	0	14	1.00

SLP

Service	Mon	Tues	Wed	Thurs	Friday	Totals	%s	Caseload	Wt case	Units
group	4	4	4	4	4	20	0.90	57.00	57	171
individual	0	0	0	0	0	0	0.00			
consult	0.25	0.5	0.5	0.75	0.25	2.25	0.10			
direct	4.25	4.5	4.5	4.75	4.25	22.25	0.64			
testing	1	1.25	1	1.25	1	5.5	0.16			
other	1.75	1.25	1.5	1	1.75	7.25	0.21			
travel	0	0	0	0	0	0	0.00			
Total Hours	7	7	7	7	7	35	1.00			

SLP

Service	Mon	Tues	Wed	Thurs	Friday	Totals	%s	Caseload	Wt case	Units
group	2	1	1	1.5	3.5	9	0.62	35.00	35	81
individual	0.5	1	2	1.5	0.5	5.5	0.38			
consult	0	0	0	0	0	0	0.00			
direct	2.5	2	3	3	4	14.5	0.41			
testing	1	1	2.5	0	1	5.5	0.16			
other	3.5	4	1.5	4	2	15	0.43			
travel	0	0	0	0	0	0	0.00			
Total Hours	7	7	7	7	7	35	1.00			

SLP

Service	Mon	Tues	Wed	Thurs	Friday	Totals	%s	Caseload	Wt case	Units
group	2	1	0.5	1	2	6.5	0.48	48.00	48	101
individual	1	2.5	0	1	2	6.5	0.48			
consult	0	0	0	0.5	0	0.5	0.04			
direct	3	3.5	0.5	2.5	4	13.5	0.42			
testing	1	1.5	0	0	1	3.5	0.11			
other	3	2	6.5	1.75	2	15.25	0.47			
travel	0	0	0	0	0	0	0.00			
Total Hours	7	7	7	4.25	7	32.25	1.00			

SLP

Service	Mon	Tues	Wed	Thurs	Friday	Totals	%s	Caseload	Wt case	Units
group	2.5	1.5	2.5	0	1.5	8	0.67	55.00	55	92
individual	0	0.5	0.5	0	1.5	2.5	0.21			
consult	0.5	0	0.5	0	0.5	1.5	0.13			
direct	3	2	3.5	0	3.5	12	0.37			
testing	1.5	0.5	1.25	2	1.5	6.75	0.21			
other	2	4	1.75	4.5	1.5	13.75	0.42			



travel	0	0	0	0	0	0	0.00
Total Hours	6.5	6.5	6.5	6.5	6.5	32.5	1.00

SLP

Service	Mon	Tues	Wed	Thurs	Friday	Totals	%s	Caseload	Wt case	Units
group	1	2.5	0	2	2	7.5	0.44	32.00	32	
individual	4	1	0	1	1.5	7.5	0.44			
consult	0.5	0.5	0	0.5	0.5	2	0.12			
direct	5.5	4	0	3.5	4	17	0.57			
testing	0.5	2	0.5	0.5	1.5	5	0.17			
other	1	0.5	5.5	0.5	0.5	8	0.27			
travel	0	0	0	0	0	0	0.00			
Total Hours	7	6.5	6	4.5	6	30	1.00			

SLP

Service	Mon	Tues	Wed	Thurs	Friday	Totals	%s	Caseload	Wt case	Units
group	2.5	1.5	1.5	0	0	5.5	0.55	35.00	35	62
individual	0.5	1	1.5	0	0	3	0.30			
consult	0.5	0.5	0	0.5	0	1.5	0.15			
direct	3.5	3	3	0.5	0	10	0.30			
testing	1	1	0	2.5	0	4.5	0.13			
other	2.5	3	3.5	2.5	7	18.5	0.55			
travel	0	0	0.5	0	0	0.5	0.01			
Total Hours	7	7	7	5.5	7	33.5	1.00			

SLP

Service	Mon	Tues	Wed	Thurs	Friday	Totals	%s	Caseload	Wt case	Units
group	0	0	0	0	1	1	0.22	10.00	50	17
individual	0	0	0	0	2.5	2.5	0.56			
consult	0	0	0	0	1	1	0.22			
direct	0	0	0	0	4.5	4.5	0.56			
testing	0	0	0	0	1	1	0.13			
other	0	0	0	0	2.5	2.5	0.31			
travel	0	0	0	0	0	0	0.00			
Total Hours	0	0	0	0	8	8	1.00			

SLPA

Service	Mon	Tues	Wed	Thurs	Friday	Totals	%s	Caseload	Wt case	Units
group	1.5	1.5	2.5	1	1	7.5	0.37			
individual	2.5	3	2	2	3.5	13	0.63			
consult	0	0	0	0	0	0	0.00			
direct	4	4.5	4.5	3	4.5	20.5	0.71			
testing	0	0	0	0	0	0	0.00			
other	2	1.5	1.5	1.75	1.5	8.25	0.29			
travel	0	0	0	0	0	0	0.00			
Total Hours	6	6	6	4.75	6	28.75	1.00			



SLPA

Service	Mon	Tues	Wed	Thurs	Friday	Totals	%s	Caseload	Wt case	Units
group	0	1.5	1.5	0	1	4	0.44			
individual	0	2	0.5	0	1	3.5	0.39			
consult	0	0.5	0.5	0	0.5	1.5	0.17			
direct	0	4	2.5	0	2.5	9	0.69			
testing	0	0	0	0	0	0	0.00			
other	0	2	0.5	0	1.5	4	0.31			
travel	0	0	0	0	0	0	0.00			
Total Hours	0	6	3	0	4	13	1.00			

SLPA

Service	Mon	Tues	Wed	Thurs	Friday	Totals	%s	Caseload	Wt case	Units
group	1	0	0.5	0	1.5	3	0.33			
individual	2	0	1	0	1.5	4.5	0.50			
consult	0.5	0	0.5	0	0.5	1.5	0.17			
direct	3.5	0	2	0	3.5	9	0.60			
testing	0	0	0	0	0	0	0.00			
other	2	0	2	0	2	6	0.40			
travel	0	0	0	0	0	0	0.00			
Total Hours	5.5	0	4	0	5.5	15	1.00			

SLPA

Service	Mon	Tues	Wed	Thurs	Friday	Totals	%s	Caseload	Wt case	Units
group	0	0	2.5	0.5	0	3	0.43			
individual	0	0	1.5	1.5	0	3	0.43			
consult	0	0	0.5	0.5	0	1	0.14			
direct	0	0	4.5	2.5	0	7	0.70			
testing	0	0	0	0	0	0	0.00			
other	0	0	1.5	1.5	0	3	0.30			
travel	0	0	0	0	0	0	0.00			
Total Hours	0	0	6	4	0	10	1.00			

SLPA

Service	Mon	Tues	Wed	Thurs	Friday	Totals	%s	Caseload	Wt case	Units
group	2	2.5	2.5	0	0	7	0.54			
individual	1	1.5	2	0	0	4.5	0.35			
consult	0.5	1	0	0	0	1.5	0.12			
direct	3.5	5	4.5	0	0	13	0.72			
testing	0	0	0	0	0	0	0.00			
other	2.5	1	1.5	0	0	5	0.28			
travel	0	0	0	0	0	0	0.00			
Total Hours	6	6	6	0	0	18	1.00			

SLPA

Service	Mon	Tues	Wed	Thurs	Friday	Totals	%s	Caseload	Wt case	Units
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group	1.5	1	2	1	2	7.5	0.39	?	?	?
individual	1.5	2.5	1	1	1	7	0.37			
consult	1	1	1	0.5	1	4.5	0.24			
direct	4	4.5	4	2.5	4	19	0.66			
testing	0	0	0	0	0	0	0.00			
other	2	1.5	2	2.25	2	9.75	0.34			
travel	0	0	0	0	0	0	0.00			
Total Hours	6	6	6	4.75	6	28.75	1.00			

SLPA

Service	Mon	Tues	Wed	Thurs	Friday	Totals	%s	Caseload	Wt case	Units
group	1.5	3	3	1	2.5	11	0.67			
individual	1.5	1	0	0.5	0.5	3.5	0.21			
consult	0.5	0.5	0.5	0	0.5	2	0.12			
direct	3.5	4.5	3.5	1.5	3.5	16.5	0.57			
testing	0	0	0	0	0	0	0.00			
other	2.5	1.5	2.5	3.25	2.5	12.25	0.43			
travel	0	0	0	0	0	0	0.00			
Total Hours	6	6	6	4.75	6	28.75	1.00			

Explanatory Notes

1. FTE: Full time equivalent staff
2. Workloads are all student-directed activities that include both direct and indirect times and are used as opposed to caseloads given that workloads are a more valid metric to determine how the services providers are spending their time.
3. Direct services include therapy (individual or group) and consultation; indirect services are those such as preparation, travel and other student-centric services other than therapy and consultation.
4. A weighted statistic was used to account for the part time status of several speech-language pathologists and is calculated by dividing the SLPs' actual caseloads by their full time equivalence. For example an S-LP that works 1 day is a .2 FTE and if her caseload were 10, then her weighted caseload would be 50. Weighted does not refer to the intensity of the students on any given caseload, which presumably would be reflected in the direct time if a relatively lower caseload required a greater amount of therapy and consultation times.
5. The individual breakdown of each service providers' time was calculated from weekly time studies and is reported as (actual) total weekly hours in each category and in percentages in the following pages.



Appendix D: IEP Reviews

Quantitative and qualitative analyses of 65 district IEPs (35 at the primary level, 30 at the secondary level) reviewed direct and indirect service time, service delivery models, goals and objectives, and internal consistency of information pertaining to the related service areas of speech-language pathology (S-LP), occupational therapy (OT), and physical therapy (PT). Information gleaned from the analyses will assist in the development of recommendations intended to facilitate program effectiveness, enhance student achievement, maximize student learning, and capitalize upon staffing and cost effectiveness.

Preschool – Grade 6

- The relationship between direct and indirect service time was relatively consistent across the disciplines. Consultative services, as reported in IEPs reviewed, constituted a moderate percentage of total service time for the three disciplines (S-LP=10%; OT=9%; PT=14%). The indirect delivery of services (i.e., direct consultation with teachers and other related service providers) is invaluable to the generalization of skills across a student's curriculum. These findings suggest providers are afforded the weekly opportunity to collaborate and consult with other team members.
- "Push-in" services, whereby providers deliver intervention within general education classrooms, varied between the related service disciplines. OT was found to be the most frequent utilizer of this model; the "push-in" model constituted 25% of total weekly OT services. Although the analysis of a sub-sample of IEPs found that PT did not utilize "push-in" services, the nature of PT intervention may be more conducive to treatment outside the classroom (e.g., targeting balance on stairs). Additionally, students who receive PT services may more often be educated within self-contained classrooms due to the nature of their disability (e.g., students with multiple disabilities).
- Particularly noteworthy is the underutilization of "push-in" S-LP services. SL-P services provided within the general education classroom approximated 5% of total weekly service minutes. The "push-in" model of service delivery enables teachers, paraprofessionals, and students to maximize a student's generalization of targeted skills across her/his academic environment. Additional benefits include a service provider's ability to model and consult with classroom staff.
- A strong negative correlation (-.49) between service minutes and student age suggests an adherence to the front loading model, whereby the greatest intensity of services are focused on younger students, and as students advance in age, service minutes gradually decline. The front loading model of service delivery may be best exemplified by the observation that of the 16 students receiving at least 150 minutes of total weekly related services, 11 were age 8 years or younger. Even when eliminating from the equation the subset of pre-school students (who, by far received the highest number of service minutes – a mean of 207 minutes, compared to an overall mean of 145 minutes), findings still yielded a moderate negative correlation (-.33).

- On the individual student level, total weekly services minutes across all three related service domains tended to exceed that which the evaluator deemed appropriate and least restrictive based upon the reported student needs and targeted areas. Although service time was appropriate to the apparent needs of some students, the information in a substantial number of IEPs reviewed either did not support a need for a related service or did not warrant the intensity of services being delivered under the student's current IEP. The disproportionate nature of service trends across disability areas will be considered later in this document. When taken on a whole, the intensity of weekly minutes of S-LP, OT and PT across the mean, median and mode (S-LP: 89, 75, 75; OT: 66, 60, 60; PT: 55, 64, 75) were figures which far exceeded the typical in the author's experience.
- The quality of goals and objectives is of particular import to the delivery of appropriate and individualized services, as well as to providing a solid base from which progress can be measured and demonstrated. With few exceptions S-LPs and OTs were operating within their respective scopes of practice and implementing treatment supported by evidence. The goals and objectives corresponding to S-LP and OT services largely supported the academic curriculum, thus enhancing a student's ability to access classroom material. Furthermore, S-LP, OT and PT goals and objectives were typically well-written and measurable; however, there were some exceptions noted. Goals and objectives with poor measurability were characterized by vaguely stated target behaviors and lack of criteria. Measurability of goals and objectives is crucial to a service provider's ability to establish a baseline performance and track progress throughout the duration of the IEP.
- Despite the S-LPs and OTs sound adherence to the academic curriculum, of the 10 reviewed students receiving direct PT services, 3 had at least one objective which clearly did not support the academic curriculum. Examples included push-ups, jumping jacks, and ball skills. Many of these targeted areas can be addressed via an adapted physical education program. In some of these circumstances the IEP did clearly define how gross motor deficits impeded the students' ability to access the academic curriculum; however, service time was still dedicated to targeting skills that are not necessary for participate in the academic curriculum. Examples of physical therapy objectives which facilitate access to the academic curriculum included safely ascending or descending stairs or navigating uneven surfaces within the school environment.
- Another point of interest is the qualification criteria, particularly for those receiving S-LP services. Approximately 19% of the 31 IEPs with S-LP services did not support the need for direct intervention. In these instances, scores from standardized testing in the targeted areas were often reported to fall within the average (or slightly below average) range.
- Of particular import are the specific trends and disparity across disability groupings. Minimal variance in total weekly related service time was noted across disability groupings. Although students whose primary disability was Emotional received substantially fewer related service minutes (S-LP, OT, PT), this is not unexpected given the typical nature of those students' needs.



- Qualitative analyses revealed the most notable variance in services across disabilities. A substantially-sized group (approximately 48% of the 31 students receiving SL-P, OT, or PT services) for whom the information present in the current IEP either did not support eligibility for at least one related service (i.e., standardized scores were reported to be average or slightly below average and no other deficits were described to substantially impact the student's ability to access the curriculum) or did not support the intensity of services received for at least one related service¹⁰. There was, however, one notable exception. Of the 8 students qualifying for special education services under the disability of Autism, only one student was judged to be receiving service minutes which appeared to exceed the stated need of the student.
- The elevated levels of service times brings into question whether pre-established criteria for related service eligibility has been developed and properly disseminated by the District.

Grades 7-12

- Although the IEP analysis could not quantitatively measure the relationship between direct and indirect service minutes across disciplines due to the reporting method of indirect services (e.g., weekly or monthly team consults), consultative (indirect) services were provided to approximately 38% of students receiving at least one direct related service (S-LP, OT, PT). This method of delivering services allows the team an opportunity for collaboration, and thus is invaluable to the generalization of skills across a student's curriculum.
- A stark contrast between the utilization of "push-in" services at the primary and secondary levels was observed. Within the subset of IEPs reviewed, no students were receiving a related service within the general education setting. As previously noted, the "push-in" model of service delivery enables teachers, paraprofessionals, and students to maximize a student's generalization of targeted skills across her/his academic environment.
- A weak positive correlation (.15) between service minutes and student age suggests a very poor adherence to the front loading model at the secondary level. The process of front loading services focuses the greatest intensity of services on younger students, and as students advance in age, service minutes gradually decline; however, the District's related service times largely remained the same as students advanced from 7th to 12th grade. These findings are quite dissimilar from those yielded by analyses at the primary level.
- On the individual student level, total weekly services minutes across all three related service domains tended to exceed that which the evaluator deemed appropriate and least restrictive based upon the reported student needs and targeted areas. Although service time was appropriate to the apparent needs of some students, the information in nearly all of IEPs reviewed did not warrant the intensity of services being delivered under the student's current IEP. A standard of 90 minutes of direct weekly S-LP service time was noted for nearly all students receiving S-LP intervention. Furthermore, 4 of the 26 students receiving a related service were judged by the author to be ineligible for at least one related service. This

¹⁰ This observation is supported by the previously reported quantitative data suggesting elevated weekly service minutes for the sub-sample as a whole.

judgment was based upon the author's professional experiences as well as reported performances on standardized testing. In these 4 cases, IEPs reported average or slightly below average standardized scores pertaining to the skills being targeted.

- When taken on a whole, the intensity of weekly minutes of S-LP, OT and PT across the mean, median and mode (S-LP: 99, 90, 90; OT: 36, 45, 45; PT: 80, 94, 95) were figures which greatly exceeded the typical in the author's experience. In fact, the service minutes associated with S-LP and PT at the secondary level exceeded those at the primary level. These findings bring into focus the importance of a developed and appropriately disseminated standard for eligibility and intensity of services.
- Of particular import are the specific trends and disparity in quantitative and qualitative measures noted across disability groupings. The most notable quantitative variance is perhaps the intensity of services between the analyzed group as a whole and students classified under the primary disabilities of Autism and neurological. Students with a neurological disability, on average, received a 187 weekly service minutes, as compared to an overall weekly average of 115 service minutes for the entire reviewed group. Similarly, students with autism, on average, received 143 weekly service minutes.
- The quality of goals and objectives is of particular import to the delivery of appropriate and individualized services, as well as to providing a solid base from which progress can be measured and demonstrated. With few exceptions S-LPs, OTs and PTs were operating within their respective scopes of practice and implementing treatment supported by evidence. The goals and objectives corresponding to the related services largely supported the academic curriculum, thus enhancing a student's ability to access classroom material. Although adherence to the curriculum was solid, poor measurability of a subset of goals and objectives was noted. Of the 26 students receiving a related service, approximately 31% had at least two objectives with weak measurability. In most cases poor measurability was characterized by lack of criteria. Measurability of goals and objectives is crucial to a service provider's ability to establish a baseline performance and track progress throughout the duration of the IEP.