



TOWN OF GROTON

173 Main Street
Groton, Massachusetts 01450-1237
Tel: (978) 448-1111
Fax: (978) 448-1115

Select Board

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April 7, 2025

Joint Committee on Ways and Means
Representative Kip A. Diggs, House Chair
Senator Pavel Payano, Senate Chair

RE: Fiscal Year 2026 Budget Hearing

Dear Representative Diggs and Senator Payano:

On behalf of the Groton Select Board, I am reaching out with regard to the Joint Committee on Ways and Means Fiscal Year 2026 Budget Hearing. Recognizing that there are many budgetary factors that are beyond the control of local or even state government entities, I want to make sure that you are both aware of the current budget concerns in the Town of Groton.

As general background, both the Town of Groton and our Regional School District (Groton Dunstable Regional School District – GDRSD) find our largest cost to be staffing. Inherent in being an employer there are contractual COLAs, generally in the range of 3% annually for both entities. The School contracts also include step and lane increases, which are industry standard and can add considerable additional cost. Both the Town and the School District pay a large portion of our employees' health insurance costs. These costs have increased dramatically in recent years, with the Town anticipating a FY26 increase of 14.8%.

Revenue increases are not keeping pace with the growth of expenses. This is in part due to the constraints of Proposition 2 ½ and in part due to limited growth opportunity within Groton. In recent years we have added revenue through Meals Tax, Rooms Tax, Cannabis Tax and a new voluntary ticket fee authorized by Groton Hill Music. Revenue projections, as controlled by all of these factors and others, allow for increases in the range of 3-3.5%. We have had success in recent years seeking grant funding from a variety of sources, including the Commonwealth and Federal Government, in support of one-time costs and projects. These projects, if not funded through grants, would often times require local funding; this is particularly alarming as we just received notice that an award of \$1M in Federal Funds for a PFAS remediation project underway to serve our high school and surrounding communities has been cancelled.

Emergency Response Needs:

The closing of the Nashoba Valley Medical Center has been devastating for our community. While the loss of medical care and emergency services is paramount, we have funded accelerated wear and tear on equipment, supplies needed during transport, and gas for vehicles. To ensure our community has the ability to respond to more than one emergency at a time, and to protect the mental and physical health of our responders, we have put forth an override request for FY26. The \$780,904, if approved by voters during these tumultuous financial times, will allow us to add six additional firefighter/EMTs ensuring that we have at least four responders able to answer calls (enabling two ambulances) from Groton and surrounding

communities. We urge you to support, and increase, if possible, the recent proposal from Governor Healy for reserve EMS funding. While the \$10M proposed sounds sufficient, the need from the closure of only this one facility is anticipated to cost much more for the impacted Nashoba Valley communities.

School Funding:

Groton has shared a Regional School District with Dunstable since the mid 1970's. We know that high quality schools draw new residents and support our property values. By virtually any metric reviewed, the Commonwealth has been an educational leader for decades. High quality results will be impossible to maintain if State leadership continues to erode their commitment to strong K-12 education.

- Regional Transportation costs are an ongoing source of frustration given the State promise of 100% reimbursement, which has not materialized. In addition to this lack of funding Regional Districts are subject to additional restrictions that prevent local bussing fees.
- Growth in 'Out of District Special Education Tuitions' (as set by the Operational Services Division of the Commonwealth) has increased in recent years at rates well beyond the revenue growth available – the increase in FY24 was 14% and came without any advance notice during budget season. The costs to transport students, often singly and at significant distance, are excessive.
- DESE sets both the State Aid for Education – so called Chapter 70 funding, and the Required Net School Spending (NSS) for each district. In FY2008, Chapter 70 provided 47% of the Required NSS, by FY2024 it provided only 25%. During this period our Required Local Contribution increased by 78%, while Chapter 70 funding increased by less than 5% (as a reference COLA per Social Security Administration increased by 48%). State funding has not kept up with the needs of the Community, placing a higher burden on Groton's taxpayers and residents. For example, to provide full-day kindergarten our district must charge parents \$5000 per pupil. The formula and promises made around Chapter 70 need to be updated to prevent unprecedented devastation of local education in the Commonwealth.

We recognize that many of the financial constraints and concerns we experience locally are also present at the State level. Our strong preference, for the strength of our communities and Commonwealth, is for an ongoing State commitment to adequate and predictable funding for education and public safety. There are many voices in our community who vocally oppose additional local taxation until the State upholds their promises and commits to a dramatic increase in local education funding.

In the absence of immediate revenue increases we urge you to support alternatives that allow communities to increase local revenues.

Please support proposals to require non-profits to pay property tax. Please support proposals such as H3264 which is currently before the Committee on Revenue, to require non-profits to make property tax payments. Per the recently completed Groton PILOT Report, within the Town there are 583 parcels owned by non-profit partners. While these partners are a valuable part of the local fabric, and many pay PILOTs and assist in funding local projects, these properties contribute to educational and other local service costs. Allowing Towns to tax non-profit owned properties valued over \$15 million, even if only at 25%, would increase local revenues significantly.

Lastly, we urge you to review the constraints created by Proposition 2½. This artificial cap on local property tax revenue makes it extremely difficult, even in wealthier communities, to generate revenue that keeps pace with the increased costs of mandated and needed services. Raising this percentage, perhaps with connection to COLA or other economy driven parameters, would enable Towns to maintain the services they currently have.

Sincerely

GROTON SELECT BOARD



Alison S. Manugian, Chair

ASM/mwh

cc: Representative Margaret Scarsdale
Representative Danillo Seno
Senator John Cronin