

**Municipal Alert**  
**June 19, 2020**

**Third COVID-19 Municipal Relief Law**  
**Part II: Municipal Finance & Schools**

*For a discussion of these and other legal issues, please visit our website at [www.mhtl.com](http://www.mhtl.com). To receive legal updates via e-mail, contact [information@mhtl.com](mailto:information@mhtl.com).*

On June 5, 2020, “An Act Relative to Municipal Governance During the COVID-19 Emergency” was signed into law. This bill is the third law passed in response to COVID-19, which largely targets the challenges faced by municipalities due to the ongoing pandemic. Part I of this client alert located [here](#) addressed the legislation’s provisions regarding municipal elections and town meetings. This client alert focuses on the remaining provisions of the legislation, including municipal finance provisions, school vendor contracts, and educators’ licenses.

Stabilization Funds

Section 10 of the law provides municipalities with greater flexibility regarding stabilization funds. Specifically, the law permits a municipality to suspend the dedication of revenues to stabilization fund(s) for fiscal year 2021. The revenue will instead be credited for the fiscal year to the general fund of the city or town. However, revenues from surcharges assessed for water infrastructure under c. 40, § 39M, for community preservation funds under c. 44B, or for any other special fund established by statute cannot be credited to the general fund.

The legislation also permits a city, town, or district to appropriate funds from a stabilization fund, notwithstanding the specified purpose of the fund. However, if the fund is established for educational purposes, approval of the school committee is required.

These changes may be exercised by a 2/3rds vote of a town’s select board or by a 2/3rds vote of a city council with approval of the mayor or manager. Town meeting approval is not required.

City Budget Extension

The legislation also gives mayors in cities additional time to submit their budget for fiscal year 2021 to the city council for approval due to the delays and uncertainty caused by the coronavirus pandemic. Under the law, if the mayor is unable to submit an annual budget for fiscal year 2021 to the city council within 170 days of the annual organization of the city government, the mayor may do so within 30 days of the termination of the state of emergency or on July 31, 2020, whichever is earlier. The remaining timelines set forth in M.G.L. c. 44, § 32 will then apply. To accommodate these extended timelines, for three months, the mayor may submit to the city council a continuing appropriation budget on a month-to-month basis until the city’s annual budget is approved.



**Municipal Alert  
June 19, 2020**

School Service Contracts

Significantly, the legislation provides that cities, towns, and regional school districts may approve payments on existing school service contracts through the remainder of fiscal year 2020. The ability to make such payments was unclear given municipal finance laws requiring that services actually be rendered before payment is made. The bill makes clear that cities, towns, and regional school districts may make these payments for the period from March 10, 2020 through the end of fiscal year 2020 for existing contracts as long as the following conditions are met:

- (1) The contract was in effect before March 10, 2020;
- (2) The service contractor was unable to perform due to COVID-19 and the Governor’s state of emergency; and
- (3) There are sufficient unencumbered funds remaining for the payment.

In order to receive payment, the service contractor must provide a sworn statement reporting grants, discounted loans, or other financial support that the contractor has received from a state, federal or local government as a result of COVID-19. If the contractor has received grants, the amount the contractor is owed under the service contract is reduced by such amounts.

Tuitions and rates set by the bureau of purchased services within the operational services division are set and are non-negotiable for fiscal year 2020. Therefore, the provisions of this law would not apply to those payments.

Emergency Educator Licenses

Lastly, the legislation permits the Commissioner of Elementary and Secondary Education to issue emergency educator licenses to individuals who apply for them. These licenses are valid through June 30, 2021 unless otherwise established.

Individuals are eligible for an emergency educator license if they possess a Bachelor’s degree and were prevented from completing testing or program requirements for an educator’s license due to the pandemic or the declared state of emergency. These licenses are only available to people seeking their license for the first time in Massachusetts.

Individuals employed and working under an emergency educator license do not have that time counted as service in acquiring professional teacher status unless the employee obtains a temporary, initial, provisional or professional educator’s license in the same field by June 30, 2021.



**Municipal Alert**  
**June 19, 2020**

*This Client Alert was prepared by Karis North and Rachel Mills and was reviewed by Andrew Waugh and David DeLuca . If you have any questions, please contact Karis North, Rachel Mills, or the attorney assigned to your account, or call (617) 479-5000.*

*This alert is for informational purposes only and may be considered advertising. It does not constitute the rendering of legal, tax or professional advice or services. You should seek specific detailed legal advice prior to taking any definitive actions.*

©2020 MHTL