

# legislative bulletin

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**To:** All School Committee Members and Superintendents

**From:** Stephen J. Finnegan, Esq.

**Date:** May 18, 2012

## **SUBJECT: SENATE WAYS AND MEANS BUDGET (S.4)**

### **SENATE WAYS & MEANS BUDGET RELEASED: LOCAL AID ENHANCED**

The Senate Ways and Means Committee budget did not rely on tax increases to balance its budget. The Governor's budget recommendations, the House budget as recently engrossed, and S. 4 are based on the same tax revenue projection of \$21.95 billion, an increase of \$940 million over the projected F.Y. 2012 amount. S.4 includes \$32.275 billion in spending; an increase of 3.7% over F.Y. 2012 projected spending. The most notable spending increases in the Senate Ways and Means Budget are in local aid, education and fixed costs, such as debt service, retiree benefits and health care. Combined, these spending areas increase \$1.1 billion over the F.Y. 2012 level. As a result, all other areas of the budget combined increase by less than \$50 million. MASC is grateful for the prioritization of Chapter 70, Special Education Circuit Breaker, Unrestricted General Government Aid (UGGA) and other education accounts by the Governor and the Legislature.

### **CHAPTER 70**

S. 4 recommends \$145 million in Chapter 70 (General Aid to Education) in new aid to ensure that each school district receives sufficient funds to meet the statutory requirements of the Foundation Budget. Also, the Senate proposes an additional \$13 million in Chapter 70 aid to ensure that all school districts receive at least an additional \$40 per pupil in aid over and above F.Y. 2012. The House Budget contains similar levels of funding to address the same goals as above enumerated. However, the House and Senate Chapter 70 aid is different in that S. 4 adds \$21 million to fund "below target aid" communities. Target aid has not been funded since F.Y. 2008 and will be welcome relief to many school districts.

### **SPECIAL EDUCATION CIRCUIT BREAKER**

The Special Education Circuit Breaker provides state funding for the extraordinary expenses associated with certain special education expenses. The House has proposed funding the Circuit Breaker at \$221.5 million, which represents

an \$8.4 million increase over funding from F.Y. 2012. S.4 has included funds sufficient to meet the anticipated costs of the state's Special Education Circuit Breaker, estimated at \$242.2 million. This account has not been fully funded since F.Y. 2008. MASC is very appreciative of the increased funding of \$8.4 million included in the House version of the budget, and, particularly of the proposed Senate increase in the Circuit Breaker of approximately \$21.5 million. Fully funding this account has been a priority of MASC and we look forward to the ultimate adoption of a budget that includes such funding.

The Senate like the House contains good news for municipalities due to an increase over the Governor's proposal of \$65 million in Unrestricted General Government Aid. The combined increases recommended in S. 4 in Chapter 70, UGGA and Circuit Breaker funding will assist school districts in their budget deliberations now underway.

### **REGIONAL TRANSPORTATION; CHARTER SCHOOL FUNDING; POTHOLE AID; KINDERGARTEN GRANTS AND ADVANCED PLACEMENT FUNDING**

The Governor's budget proposed that Regional School Transportation be level funded at \$43.5 million. The House budget recommended a \$2 million increase for total funding of \$45.5 million, S.4 recommends matching the House appropriation. The costs of transporting students have undoubtedly increased during the past year and Ways and Means has reasonably addressed this issue. MASC appreciates the legislative funding of this account in a difficult economic climate.

Monies for districts sending students to charter schools have been level funded at \$71.5 million. Based upon the new charters coming online in F.Y. 2013 it is estimated that more funding will be needed to stay at a true level funding base.

The Senate budget reestablishes a reserve account previously referred to as the "Pothole Account," to meet extraordinary increases in the maximum required local contribution of a municipality. MASC appreciates the reinstatement of this account, funded at \$3.5 million.

The Senate Ways and Means Committee has recommend-

ed a \$20 million appropriation for Kindergarten Grants, which is \$5 million less than the House and \$3 million less than the funding provided in F.Y. 2012.

S.4 contains \$2 million to support Advanced Placement (AP) courses for underserved populations. This program which prioritizes AP classes in the STEM fields, has been able to provide rigorous AP coursework to underserved populations.

#### **MANDATED HOMELESS TRANSPORTATION**

Over the past year the issue of school districts mandated transportation costs for homeless students under the McKinney-Vento Federal Law and the Commonwealth's implementation of same, has been the subject of a determination by State Auditor Bump through the Division of Local Mandates. The Auditor determined that the requirement for school districts to provide homeless students transportation to their previous schools was an unfunded mandate. MASC and MASS were asked by Auditor Bump to assist in the documentation to determine the cost of such transportation for F.Y.2012. As a result of the statewide survey, it was determined that approximately

\$11.3 million was the projected level of expenditure by local school districts. It was determined that at least ten school districts anticipated spending in excess of \$200,000.000.

The Legislature, prompted by the determination of Auditor Bump, expressed a desire to fund this mandate. Over 100 legislators signed a petition requesting funding of the mandate, in part, due to the advocacy of MASC and other municipal associations. The end result of these collaborative efforts resulted in the House Ways and Means Committee budget creating a new account to fully fund the \$11.3 million estimate of necessary reimbursements to meet the homeless student transportation mandate. MASC applauds and is appreciative of the efforts of State Auditor Bump, the legislative leadership, and all of the signatories to the petition to create this new account. Moreover, this effort by Auditor Bump will undoubtedly reinvigorate the anti mandate law passed by the voters in 1980

The Senate Ways and Means has not funded the homeless student line item. S.4 proposes in section 124 to have the Department of Elementary and Secondary Education certify district costs for mandated homeless transportation.