

LEGISLATIVE bulletin

To: All School Committee Members and Superintendents
From: Stephen J. Finnegan Esq., MASC General Counsel
Re: Governor's F.Y. 2018 Budget Recommendations, H.1
Date: January 27, 2016

GOVERNOR RELEASES 2018 BUDGET RECOMMENDATIONS

The Governor's F.Y. 2018 budget recommendations propose a \$40.5 billion state budget, an increase of \$1.65 billion over projected spending in the current fiscal year. H.1 recommends increases in Chapter 70, general aid to education, by about \$91 million including a minimum aid increase of \$20 per pupil in each of the 322 school districts. This increase begins to address some of the Foundation Budget Review Commission recommendations (FBRC). MASC is in support of the FBRC recommendations; however, it appears that the Governor's proposal addresses health costs only and not special education as contained in Commission recommendations. MASC will further review H.1 concerning FBRC matters and will work with the Legislature to implement and expand this proposal.

MASC also notes that the Governor's recommended funding is well below the \$111 million Chapter 70 increase found as recently as the FY 2016 budget and even further below other recent budgets. MASC recognizes the difficulty faced by Governor Baker in crafting a balanced FY 2018 state budget while funding increasing pension costs and most particularly health spending. For example, the MA Medicaid program will cover about 30% of the state's population and comprise 40% of the state budget. This program will increase by almost \$1 billion in FY 2018, including state and federal money. Indeed school committees struggle with these same budget busters in formulating their budgets. In the current state budget Chapter 70 included a minimum aid guarantee of at least \$55 per pupil; H.1 proposes only a \$20 of per pupil increase. MASC will ask the Legislature to increase the funding for Chapter 70 and minimum aid at least to traditional levels of support. You will find your district's Local Aid in section 3 of the Governor's budget, which is posted on the MASC website. The principal municipal aid account was increased by \$40 million, and should somewhat reduce the competition between school and municipal budgets at the local level.

SPECIAL EDUCATION CIRCUIT BREAKER, REGIONAL TRANSPORTATION, CHARTER SCHOOL FUNDING AND OTHER PERTINENT ACCOUNTS

The Special Education Circuit Breaker provides state funding for the extraordinary expenses associated with certain special education expenses. The Circuit Breaker has been funded at \$277 million, which represents level funding from FY 2017. The current year funding for the Circuit Breaker essentially represented full funding of this account. The students who benefit by this account are the most vulnerable population that school districts serve. We will work to ensure that the proposed funding also represents full funding for FY 2018. We note that full funding for this account is particularly important due to the broad consensus that special education is not adequately funded by the current foundation formula as determined by the Foundation Budget Review Commission Report.

REGIONAL SCHOOL TRANSPORTATION

Regional School Transportation has been level funded from the prior year at \$61 million. The funding for this year did not meet the statutory requirement for transporting regional students and will fund even fewer students in FY 2018. MASC will join with municipal and education advocates to increase the funding for Regional School Transportation.

CHARTER SCHOOL FUNDING

Monies for districts sending students to charter schools have been level funded in H.1 for the FY 2018 budget in the amount of \$80.5 million. The Governor's funding for this account in FY 2017 represented about a \$54 million shortfall from the reimbursements that are required by statute. MASC will seek greater funding for this account.

HOMELESS STUDENT TRANSPORTATION

H.1 contains the same funding, \$8,350,000, as found in the FY 2017 budget, which reimburses communities required to provide such transportation for approximately 50% of the costs incurred by the district. Some of these expenses occur when students are removed from their household by DCF and require immediate placement in

the school system of another town. Because the placement is made abruptly often these students are placed in motels. This causes a disproportionate burden on municipalities that have a number of motels. Governor Baker has worked to address this matter by reducing or shortening the length of such placements.

MASC will work with interested parties to better determine whether the Governor's efforts have reduced the amount of money necessary to fully fund this account. We will seek to fully reimburse the costs of such transportation with the assistance of other education and municipal associations.

STUDENT AND SCHOOL ASSESSMENT ACCOUNT

The Governor has included an additional \$6 million in this account to implement the new MCAS exam and the history assessments in his budget recommendations.

POTHOLE MONEY

In FY 2017 and in previous budgets there has been a Pothole account to fund extraordinary expenses that occur unexpectedly. This account was not funded in H.1. MASC will advocate for funding the Pothole account in our communications with the Ways and Means Committees.

TARGETED ASSISTANCE AND INNOVATION ACCOUNT

This account has been substantially increased and targets particularly Level 3 and 4 schools for assistance and innovation support. It also focuses on matters of literacy. It appears that several accounts concerning literacy have been deleted from H.1; however, the above captioned account also targets literacy assistance. MASC will gather more information as to why some accounts have been consolidated and, if pertinent, we will report to you in future bulletins.

ADULT BASIC EDUCATION AND METCO

H.1 proposes to reduce the funding for Adult Basic Education from \$29 to \$28 million. We will advocate for more funding for this account in our communications with the Ways and Means Committees.

METCO was level funded in the FY 2018 budget recommendations of the Governor. We will join other groups in advocating for this worthy account.

NOTE: Budget implications for school districts, as well as recommendations proposed in the coming weeks by the Legislature, will be discussed at special MASC budget/finance forums (check the website for dates) and at Day on the Hill on April 25 (see below).

MASC website: www.masc.org

Tuesday, April 25, 2017

8:30-11:00am

Followed by meetings with
your legislators.

Note new location for this year:

Grand Lodge of Masons
186 Tremont St, Boston 02111

(across the Common from the
State House)

Detailed program information
coming soon.

