

LEGISLATIVE Bulletin

To: All School Committee Members and Superintendents
From: Stephen J. Finnegan Esq., MASC General Counsel
Re: **House FY 2018 Final Budget**
Date: April 28, 2017

HOUSE FINALIZES FY 2018 BUDGET

BACKGROUND. The Governor's FY 2018 budget recommendations proposed an increase 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 recommendations proposed by the Foundation Budget Review Commission (FBRC). The proposed House Ways and Means budget contained a \$106 million increase to Chapter 70—a \$15 million increase over the Governor's budget proposal. The House Ways and Means Committee also recommended a \$30 increase in per pupil spending for every school district. Both budgets begin to address through the above-referenced funding increases, the rising health care costs experienced by school districts. MASC is in support of the FBRC recommendations and is pleased to see a down payment on the spiraling health costs experienced by the public schools.

The final House budget leaves the Ways and Means version intact concerning the \$106 million increase in Chapter 70 and guarantees a minimum increase of \$30 per student for every school district. The House budget now goes to the Senate Ways and Means Committee, which will report its recommendations in the next few weeks. The Senate will then finalize its version of the FY 2018 budget around the end of May or early June. The differences between the two budgets will be resolved by a six person Conference Committee with each branch appointing three members.

In the current state budget, Chapter 70 included a minimum aid guarantee of at least \$55 per pupil; the House proposed only \$30 of minimum aid. MASC will ask the Legislature to increase the funding for Chapter 70 and minimum aid at least to traditional levels of support. The principal municipal aid account was increased by \$40 million, the same as the Governor's budget proposal and should somewhat reduce the competition between school and municipal budgets at the local level.

SPECIAL EDUCATION CIRCUIT BREAKER

The Special Education Circuit Breaker provides state funding for the extraordinary expenses associated with certain special education expenses. The Circuit Breaker has been funded by the House Ways and Means Committee and the final House budget at \$281 million, which represents a \$4 million increase from the Governor's proposal and the FY 2017 budget. The students who benefit from this account are the most vulnerable population that school districts serve. As the budget wends its way through the Legislative process, MASC will work to ensure that the proposed funding 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 funded by the House Ways and Means Committee and the final House budget with an increase of \$1 million from the prior year and the Governor's recommendations (\$61 million) to \$62 million. The funding for this year did not meet the statutory requirement for transporting regional students and it is anticipated that even with the slight proposed increase it will again fall well short 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 has been level funded in H.1 and in the Ways and Means and final House budgets for FY 2018 in the amount of \$80.5 million. The proposed 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 and the Ways and Means and final House budgets contain the same funding, \$8.35 million, 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. However, the appropriation still appears to be inadequate to address the actual costs of this program. The final House budget has revived the Homeless Student Transportation Commission and extended its reporting deadline.

MASC will work with other education and municipal allies to fully reimburse the costs of such transportation with the assistance of other education and municipal associations.

FUNDS FOR LOW INCOME REDEFINITION PROBLEMS

Both the House Ways and Means budget and the final House budget included an additional \$12.5 million to provide transitional relief to districts whose Chapter 70 aid was negatively impacted by the change in low income enrollment measurement. These funds must be distributed by DESE on or before September 1, 2017. MASC applauds the House proposal to address some of the difficulties associated with the redefinition of "low income." This account has been renamed the Foundation Reserve (Pothole) account.

EXPANDED LEARNING TIME GRANTS

This account was not funded in the Governor's budget with a discrete line item; however, it was funded in the current FY 2017 budget. The proposed funding for this account is approximately \$14.2 million. It is earmarked for districts for planning and implementing expanded learning time in the form of longer school days or school years. Furthermore, these grants shall only be provided to schools and districts that submitted qualifying applications which were approved by DESE in FY 2017 and include a minimum of an additional 300 hours on a mandatory basis for all children attending that school. Preference for these grants will be given to districts with high rates of poverty.

ADULT BASIC EDUCATION AND METCO

The final House budget slightly increased the funding for Adult Basic Education to \$29 million, an increase of about \$160,000 over the FY 2017 budget. We will advocate for more funding for this account in our communications with the Senate.

METCO was level funded in the Governor's FY 2018 budget recommendations. The House Ways and Means and final House budget recommends increasing the METCO account by \$500,000 dollars. We will join other groups in advocating for this worthy account.

OTHER ACCOUNTS OF INTEREST

The final House budget increased funding for **Bay State Reading Institute** by almost \$270,000 for a total appropriation of \$400,000. In addition, Literacy Programs were increased by approximately \$130,000 to total \$1,750,000.

Federal military impact aid for towns that educate children of families living on the Hanscom Airforce Base was funded at \$ 500,000.

Final House funding for **after-school/out-of-school grants** received an increase of \$715,000 over current year funding. The House also increased the line item for **Safe and Supportive Schools Grants** by \$100,000 over FY 2017 bringing total funding to \$500,000.

Mass Mentoring Partnership was level funded in the amount of \$500,000.