

LEGISLATIVE Bulletin

To: All School Committee Members and Superintendents
From: Stephen J. Finnegan Esq., MASC General Counsel
Re: **FY. 2018 Senate Ways & Means Budget**
Date: May18, 2017

BACKGROUND

The Governor's FY 2018 budget recommendations proposed an increase in Chapter 70, general aid to education, of 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 (FBRC) recommendations. The final House budget contained a \$106 million increase to Chapter 70, a \$15 million increase over the Governor's budget proposal bringing total funding to about \$4.7 billion. In addition, the final House budget included a \$30 increase in per pupil spending for every school district. MASC strongly supports the FBRC recommendations; and is pleased to see a down payment on the spiraling health and special education costs experienced by the public schools.

It is important to note that projected tax revenues for FY 2017 are \$462 million below expectations year to date. This sobering statistic has revived various tax proposals in the Senate including a tax on Airbnb transactions, which is estimated to raise \$18 million, and a new health care fee on certain employers.

In the current state budget Chapter 70 included a minimum aid guarantee of at least \$55 per pupil; the final House and Senate Ways & Means proposal only recommended \$30 of minimum aid. MASC with other associations will ask the Legislature to significantly increase the funding for Chapter 70 minimum per pupil aid. The principal municipal aid account was increased by \$40 million in both branches of the legislature and should somewhat reduce the competition between school and municipal budgets at the local level. After the Senate adopts its version of the state budget the differences between the two budgets will be resolved by a six person Conference Committee with each branch appointing three members.

SENATE WAYS & MEANS RECOMMENDATIONS RELEASED

CHAPTER 70

On May 16, 2017 the Senate Ways & Means Committee released its Chapter 70 proposal for the FY 2018 state budget that contains a \$22 million increase over

the House final budget. This budget increases the rate that is factored into the foundation budget for employee health insurance and takes initial steps to fund the Commission's recommended special education changes. As stated in the FBRC report, this budget increases the assumed in-district special education enrollment percentage to 4% (5% for vocational students) and begins to increase funding for the cost of educating out-of-district special education students. The Committee's Chapter 70 investment allows for a minimum aid increase of \$30 per pupil over FY 2017 for every school district and 85% effort reduction to bring school districts closer to their spending targets. While we are grateful for the support of the Legislature, MASC will work with other educational and municipal groups to significantly increase the minimum aid of \$30 per pupil recommended by the final House budget and the Senate Ways and Means Committee. You can check the MASC website for your most recent local aid estimate (www.masc.org).

FULL FUNDING FOR SPECIAL EDUCATION CIRCUIT BREAKER

The Special Education Circuit Breaker provides state funding for the extraordinary expenses associated with certain special education services. The Circuit Breaker has been funded in 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. MASC prioritized full funding for this account, and with the addition of \$12 million in the Senate Ways & Means Committee proposal full funding has been restored. The total appropriation for this account is about \$294 million, and achieves one of our major budgetary goals. MASC thanks the Legislature for its continuing commitment to this account.

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 over FY 2017 for a total of \$62 million. The Senate Ways & Means Committee only funded this line item at \$61 million. The funding for FY 2017 did not meet the statutory requirement for transporting regional students and it is anticipated that 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 REIMBURSEMENT

Monies for districts sending students to charter schools has been level funded in the House and in the proposed funding in the Senate Ways & Means proposal at \$80.5 million. The funding for this account in FY 2017 represented about a \$54 million shortfall from the reimbursements required by statute. MASC with other interested parties will advocate for greater funding for this account.

HOMELESS STUDENT TRANSPORTATION

The final House budget and the Senate Ways & Means proposal contain the same funding, \$8,350,000, as found in the FY 2017 budget, which reimbursed 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 is 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 seek an appropriation to more appropriately reimburse the costs of such transportation with the assistance of other education and municipal associations.

EXPANDED LEARNING TIME GRANTS

The proposed funding for this account in FY 2018 in both the final House and Senate Ways & Means versions 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. Also, preference 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. The Senate Ways & Means proposal has increased funding for this account by an additional \$270,000, which results in an appropriation of \$30, 250,000. We appreciate the increase to this account.

METCO was level funded in the 2018 budget recommendations of the Governor. The House final budget recommended increasing the METCO account by \$500,000 dollars. The Senate Ways & Means Committee recommends a total for this account of \$21 million, which is \$142,000 less than the House. We will join other groups in advocating for this account.

FOUNDATION BUDGET REVIEW COMMISSION

An outside section of the Senate Ways & Means budget recommendations establishes an implementation schedule to fulfill the FBRC recommendations voted upon in November of 2015. The principal FBRC proposals include adjusting the Foundation Budget to better address health insurance and special education costs. MASC and other FBRC members have long advocated for such an implementation schedule and we thank the Legislature.

SCHOOL BUILDING AUTHORITY

In determining the grant percentage for approved school projects for calendar years 2017 and 2018, the MSBA shall calculate the community poverty factor for each school facilities project using the FY 2014 proportion of low income students, as determined by DESE.

COMING SOON TO YOUR MAILBOX

- **MASC Summer institute program/registration information.**
- **MASC/MASS Joint Conference "Special Early Bird" registration information.**