

LEGISLATIVE Bulletin

To: All School Committee Members and Superintendents
From: Stephen J. Finnegan Esq., MASC General Counsel
Date: May 18, 2016

RE: S.4, SENATE WAYS & MEANS BUDGET RECOMMENDATIONS

FUNDING FOR CHAPTER 70, GENERAL AID TO EDUCATION

The Senate Ways and Means Committee released its F.Y. 2017 budget recommendations on May 17th. S.4 recommends that Chapter 70 be increased by \$116.1 million over the F.Y. 2016 budget, and \$10 million more than the House Budget. This funding contrasts with the Governor's recommendation of \$72 million over prior year amounts. Chapter 70 funding consists of foundation budget and per pupil components. The House and Senate Ways and Means budgets each recommend a guaranteed minimum aid increase to each school district of \$55 per pupil, which is more than double prior year funding. MASC asked for more per pupil aid and we are pleased with the Ways and Means Committee's recommendations. Finally, S.4 ensures that districts will come closer to their spending targets.

In a first step to implement the recommendations of the Foundation Budget Review Commission (FBRC), the Senate budget recommends increases to Chapter 70 funding rates for low-income students and uses a progressive system to direct more assistance to districts that educate high percentages of low-income students. Also, S.4 requires the Secretary of Administration and Finance and the House and Senate Committees on Ways and Means to set an implementation schedule to fulfill the FBRC's other recommendations to improve funding fairness and adequacy for all school districts.

S.4 also establishes a task force to recommend ways to more accurately count low-income students.

Most of the non-elementary and secondary education budgetary accounts are level funded and many of them have been eliminated or reduced. In comparison to most areas of the budget, with notable exceptions referenced below, K-12 education has emerged in relatively decent shape.

Unrestricted local aid, largely Lottery Aid, will total \$1.02 billion. This reflects an increase over F.Y. 2016 of \$42 million—the same amount as contained in the Governor's budget recommendations. The additional funding provided to municipalities will somewhat reduce pressure on school budgets.

You can find your district's local aid in the Senate Budget, which is posted on the MASC website. The Committee's recommendations must be voted upon by

the Senate, and then this process moves to a Conference Committee where the House and the Senate reconcile their competing versions of the F.Y. 2017 budget.

REGIONAL TRANSPORTATION, HOMELESS STUDENT TRANSPORTATION AND SPECIAL EDUCATION CIRCUIT BREAKER

Regional School Transportation was funded at \$60 million in the House Ways and Means budget recommendations. S.4 funds this account at \$59 million. MASC will be joining other associations in support of recommendations to increase this amount in the Senate deliberations to at least \$63 million, which will amount to an 80% rate of reimbursement.

As you may recall, a report by the State Auditor determined that **transportation for homeless students** was a mandate. Both the Governor and House and Senate Ways and Means have recommended funding this account at \$8.35 million, which represents level funding over the prior year final budget.

The so-called **Special Education Circuit Breaker** account funds the extraordinary costs of certain special education placements. Current law requires that 75% of all the approved costs for such placements that exceed 4 times the state average per-pupil foundation budget for the previous fiscal year shall be reimbursed to eligible school districts. The Governor recommended that the Circuit Breaker account be funded at approximately \$271 million, and H.4200 recommended adding \$5 million to this account bringing the total appropriation to \$276.6 million. S.4 recommends increasing the funding for this account by \$4.5 million to \$281 million, which will fully fund the Circuit Breaker. The Senate has included a section that allows special needs programs out of state tuition to increase at the rate of inflation.

We will also advocate for a fair reimbursement for **Non-Resident Pupil Transportation**. We appreciate that the Senate has funded this account at \$1.75 million.

METCO AND CHARTER SCHOOL REIMBURSEMENT

The final House Budget funded METCO at \$20.6 million. S.4 proposes reducing METCO funding by \$500,000. We will work with other educational associations to restore the funding provided in the House Budget.

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Communities whose children have chosen to attend commonwealth charter schools receive reimbursement from the state for up to six years after their departure from the district of residence. The proper funding of this account was a major bone of contention during last session's charter school debate. MASC will continue to push for funding of this account that in H.4200 has been funded at \$85.5 million, which is \$5 million more than the Governor recommended. The Senate Ways and Means Committee has recommended funding for this account at \$87.5 million. Also, MASC advocated for the retention of the current six-year formula as opposed to a three-year formula proposed by the Governor that resulted in less funding for this program, and H.4200 and S.4 sustained the position of MASC by retaining the current formula.

KINDERGARTEN GRANTS

This program has been recommended for level funding by both the Governor and House Ways and Means, in the amount of \$18.5 million. S.4 has only proposed funding this account at \$2 million. MASC will work with other parties to restore House funding for this account.

The reason for the funding discrepancy between the final House Budget and the proposed Senate Budget stems from the purpose of the Kindergarten Grant Program, which has been to expand full day programs. These grants have been very successful in expanding full day kindergarten availability, and very few districts have not taken advantage of the funding to expand their kindergartens.

However, over time these grants have been used for the maintenance of the full day programs. The Senate prefers to distribute the money used for maintaining full day kindergartens through C.70, Circuit Breaker and other education accounts, which they have done. However, many municipalities rely on this account for maintenance of their full day kindergarten programs. Therefore, MASC will continue to advocate for the House level of funding for this account either in the Senate deliberations or in the Conference Committee.

LOW INCOME DEFINITION

The third paragraph of Section 3 of the budget as found in H.4200 contains a rather lengthy definition of low-income students. You may find this paragraph on the MASC website under low income definition. Section 46 of H.4200 requires that a study on the calculation of low-income students shall be concluded by December 19, 2016. The Senate has proposed a task force to recommend ways to more accurately count low income students with a similar reporting deadline.

SUBSTANCE ABUSE PREVENTION

S.4 proposes \$3.1 million for existing Recovery High Schools, which includes funding for one new school. Also, S.4 continues to fund the Narcan Pilot Expansion Program, which supports the purchase of Narcan, an overdose reversal drug, to be used in heavily impacted municipalities.

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