

LEGISLATIVE Bulletin

To: All School Committee Members and Superintendents

From: Stephen J. Finnegan Esq., MASC General Counsel

Date: April 11, 2018

RE: **House Ways and Means Budget Recommendations, H. 4400**

H. WAYS & MEANS BUDGET RECOMMENDATIONS-CHAPTER 70 INCREASED

For the past two fiscal years state tax collections have ended the year more than \$400 million below their annual benchmarks. Tax receipts in the current fiscal year have resulted in a surplus. The H. Ways and Means F.Y. 2019 budget recommendations propose increasing Chapter 70, general aid to education, by about \$125 million, which represents a \$7 million addition to the Governor's proposal. Within Chapter 70 H. 4400 allocates funding of \$39 million to address the recommendation of the Foundation Budget Review Commission to use more realistic teacher health care cost assumptions. MASC will advocate for additional school funding in H. 4400 for Chapter 70, including a minimum aid guarantee of a reasonable amount.

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 \$37 million which will likely assist school districts in securing the necessary municipal budgetary approvals.

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. This account provides state funding for 75% of all approved costs that exceed 4 times the statewide average per pupil foundation budget, as defined in Chapter 70, for the previous fiscal year. The final F. Y. 2018 funding for the Circuit Breaker was \$ 281 million. DESE estimated an increase of 4.5% for all claims; however, the costs thus far are approximately 8.1 %. H.4400 recommends funding of \$300 million.

MASC is pleased with the increase over the prior year of \$19 million. We will continue to monitor this account to ensure adequate funding. The students benefited by this account are the most vulnerable population that school districts serve.

REGIONAL SCHOOL TRANSPORTATION

Regional School Transportation has been increased from the prior year by \$1.5 million. MASC appreciates the increased funding that totals \$62.5 million. The funding for FY 2018 did not meet the statutory requirement for transporting regional students. 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 funded at \$90 million in H.4400, which represents an \$8.5 million increase over the Governor's proposed level of funding. The proposed Ways and Means funding for this account reflects a significant gap in the promised funding level. The Charter School Law as found in G.L. C71, S.89 (gg) provides that the reimbursement, subject to appropriation, shall be equal to 100% of the charter school tuition in the first year and 25% in years 2 through 6. MASC will be working with various associations and legislative allies to significantly increase this appropriation.

METCO GRANTS

Metco has been funded by H. 4400 in the amount of \$22.1 million.

HURRICANE AID AND LOW INCOME ENROLLMENT FUNDING

The House Ways and Means budget includes funding of a reserve fund of \$27.5 million to address changes caused by the low income enrollment measure, and also provides not less than \$15 million for students who enrolled in Massachusetts schools due to recent hurricanes in Puerto Rico.