

# LEGISLATIVE Bulletin

To: All School Committee Members and Superintendents  
From: Stephen J. Finnegan Esq., MASC General Counsel  
Re: Governor's FY 2020 Budget Proposals; H1  
Date: January 24, 2019

## **GOVERNOR BAKER FILES FY 2020 BUDGET RECOMMENDATIONS; CHAPTER 70 INCREASED**

House 1 proposes \$42.7 billion in gross spending, an increase of 1.5% over FY 2019 projected spending. The Governor has also filed separate legislation that proposes a multi-year school finance reform initiative, which includes an overhaul of the school funding formula. The Governor asserts that these reforms will assist districts in managing the rising costs of health care and special education students that have already been partially addressed in recent budgets, and will provide new funding support for ELL students and for districts with higher concentrations of poverty. This proposal contains an increase of \$200 million in Chapter 70 education aid in the FY 20 budget. The Governor stated that these reforms in FY 20 will be funded through existing revenues. House 1 also includes a sales tax modernization proposal that will generate significant one-time revenues. In addition to Chapter 70 aid, House 1 includes a new formula reimbursing school districts for charter school tuition, and recommends increasing that account by \$16 million in FY 20.

## **GOVERNOR'S SCHOOL FINANCE FY 20 PROPOSALS**

It is difficult to summarize in a timely manner this complicated school finance proposal. However, I will attempt to give you the Governor's recommendations that will impact on the FY 20 budget. These include the following:

- Full funding of foundation and base aid requirements, reflecting current rate of inflation (\$129.9 million increase);
- Further increase in Foundation Budget formula for health care, including benefits for retirees (\$30.6 million increase);
- Additional increase in the factor for educating English language learners (\$13.6 million increase);
- Increased support to districts serving highest concentration of economically-disadvantaged students (\$12.8 million increase);
- Minimum aid level of \$20 per pupil for all districts (\$7.9 million increase);
- Increase in funding to help districts meet rising out-of-district special education costs (\$4.3 million increase);

Over the coming weeks, MASC will provide you with a synopsis of the main school finance proposals.

## **CHARTER SCHOOL REIMBURSEMENT**

The Governor's recommendation contained in H1 will revamp charter school reimbursements to a three year schedule, with 100% tuition reimbursements to districts the first year, 60% the second, and 40% the third. Currently the reimbursements are paid over a six-year period with the first years payment of 100% followed by five more years with 25% paid each year. The current formula has been honored more in the breach than the observance. The Governor states that the Commonwealth will be a better partner to local communities that experience increasing enrollments in charter schools. This realignment, so it is asserted, will also ensure that communities spending greater than 9% of their total school spending on charter school tuition payments will benefit from a new minimum tuition reimbursement amount.

In addition, the Administration's plan increases the facilities stipend for charter schools. Currently charter schools get a facilities stipend of \$893 for each student, which hasn't changed in 10 years. This proposal increases that amount by 5% to \$938, and then indexes it for inflation going forward. MASC will carefully review the changes to charter school reimbursements over the coming days.

## **ACCELERATING IMPROVEMENTS IN LOW PERFORMING SCHOOLS**

The Administration's school finance reform proposal includes opportunities for struggling schools to partner with the Department of Elementary and Secondary Education to invest in proven strategies that help students learn, such as acceleration academies, after-school enrichment, as well as more professional development and leadership programs for teachers. The budget proposal also includes a new trust fund of \$50 million, to be used by the Commissioner of Elementary and Secondary Education to help accelerate improvements in low-performing schools. In addition to this trust fund, the Governor's budget proposes \$26.5 million in targeted assistance funds to help schools improve.

MASC welcomes this funding and will review this proposal to ensure school committee approval is required.

## **SPECIAL EDUCATION CIRCUIT BREAKER AND REGIONAL SCHOOL TRANSPORTATION FUNDING**

The Special Education Circuit Breaker provides state funding for the extraordinary expenses associated with certain special education expenses.

The Circuit Breaker is funded in H1 in the amount of \$323 million, an increase of \$4 million over FY 2019. MASC will continue to monitor this account as the budget moves through the Legislature.

The Governor's budget also proposed that Regional School Transportation be level funded at \$68 million. MASC will monitor this account closely and will work with other school associations to offer amendments as appropriate.

## **MANDATED HOMELESS TRANSPORTATION FUNDED**

Over the past few years the issue of school districts mandated transportation costs for homeless students under the McKinney-Vento Federal Law and the Commonwealth's implementation of same has been the subject of a determination by State Auditor Bump through the Division of Local Mandates. The Auditor determined that the requirement for school districts to provide homeless students transportation to their previous schools was an unfunded mandate. MASC and MASS were asked by Auditor Bump to assist in the documentation to determine the cost of such transportation and our joint survey was right on point.

House 1 level funds this account from the prior fiscal year at \$9 million. MASC and other associations will work with the State Auditor and the Legislature to properly fund this account.