

legislative bulletin

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To: All School Committee Members and Superintendents

From: Stephen J. Finnegan, Esq.

Date: May 15, 2014

SUBJECT: THE SENATE WAYS AND MEANS COMMITTEE F.Y. 2015 BUDGET

LOCAL AID RESOLUTION INCREASE TO CHAPTER 70 PROPOSED IN SENATE WAYS AND MEANS BUDGET

The local aid resolution adopted by the House and Senate in mid-March has been added to the Senate Ways and Means Budget and provides nearly \$100 million to local school districts, which brings the total funding for Chapter 70 to \$4.4 billion. The increase in Chapter 70 aid will keep school districts at foundation levels of spending and provides an additional \$31.8 million in aid to provide targeted assistance to school districts that exceed their target contribution or receive less than their target state aid levels. Also, the local aid resolution includes a \$25.5 million increase to Unrestricted General Government Aid (UGGA) for an F.Y. 2015 funding level \$945.8 million.

You may find your local aid amount on the MASC website at www.masc.org.

SCHOOL TRANSPORTATION: REGIONAL, HOMELESS AND NON-RESIDENTIAL

The Governor recommended level-funding regional school transportation at \$51.5 million for F.Y. 2015. The House proposed a \$2 million increase in this account for a total appropriation of \$53.5 million. The Senate Ways and Means Committee budget provides 90% reimbursement for regional school transportation. The \$70.3 million budget for regional school transportation is the largest appropriation in the programs history.

The Governor proposed level funding homeless student transportation at \$7.3 million, which is well below full funding. The House also funded this account at \$7.3 million, and Senate Ways and Means has followed suit. Both legislative budgets contain language providing that the Commonwealth obligation shall not exceed the appropriated amount.

Non-resident student transportation, which funds in part transportation of students to vocational schools when their district school does not offer particular programs, was not funded in the Governor's budget. Previously, this account contained a \$3 million appropriation. The House

added this account and proposed a \$1.5 million appropriation for this account. Senate Ways and Means has increased funding for this account to \$3 million.

CIRCUIT BREAKER FULLY FUNDED

The so-called circuit breaker account that provides funding for extraordinary special education costs was level-funded at \$252.5 million by the Governor. The House Ways and Means Committee recommended funding the circuit breaker with a \$5 million increase that brings total funding to \$257.5 million. The Senate Ways and Means Committee has recommended an appropriation of \$260 million, fully funding this account. This represents the highest funding for this account since its inception.

CHARTER SCHOOL REIMBURSEMENT INCREASED

Districts that send pupils to charter schools receive funding from the Commonwealth for several years thereafter. During the past two years the account reimbursing districts has been underfunded. The House and now Senate Ways and Means has recommended a \$5 million increase to this account for a total of \$80 million, which while helpful still leaves a significant shortfall for sending districts.

POTHOLE ACCOUNT

Governor Patrick did not recommend funding the foundation reserve (pothole) account. The F.Y. 2014 budget included this account with an appropriation of \$2 million. The House Ways and Means Committee recommended the reestablishment of this account with a \$1 million appropriation. This line item addresses the concerns of municipalities that experience extraordinary increases in their minimum required local contribution. The House of Representatives added \$786,000 additional dollars to this account, although most of the money was earmarked. The Senate Ways and Means Committee has included funding for this line item in the amount of \$2 million; however, it appears primarily to address communities who may be withdrawing from a regional school district.

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RETIRED TEACHERS HEALTHCARE COSTS

As you are aware (see February 20, 2014 Legislative Bulletin), Section 3 of the State Budget has long barred DESE from considering costs for retired teachers to be part of net school spending for any districts in which said costs were not considered part of such spending in fiscal year 1994. The Governor's proposal contained the long-standing bar to considering retired teacher costs as part of the net school spending. The House of Representatives, by floor amendment, allowed communities who had not adopted the 1994 net school spending language to allow one year for the local municipal authorities to so adopt. In towns the local option is frequently exercised by the town meeting; however, the budgetary language requires only the approval of the town council or board of selectmen and in a regional school district acceptance is by vote of the regional school committee. This provision would be phased in over a four-year period, and contains safeguards for districts that have been placed in level 4 and 5 status. Senate Ways and Means appears to have adopted the House approach to this matter.

FOUNDATION BUDGET REVIEW COMMISSION

MASC and other associations have supported the reestablishment of this Commission that was part of the 1993 Education Reform Act. This proposed Commission shall seek to determine the educational and related programs and services necessary to achieve the Commonwealth's educational goals. The House budget endorsed the reestablishment of this commission of which MASC is a member. MASC supports an amendment offered by Sen. Chang-Diaz to include the House language in the Senate budget.

METCO FUNDING

The Senate Ways and Means recommends an \$18.6 million appropriation for funding the METCO program. The House funded this account at the level of \$19.1 million.

FUNDING FOR ALTERNATIVE EDUCATION MANDATE

As you are aware the school discipline law that becomes effective July 1, 2014 contained a provision that mandated continuing education for suspended and expelled students. The State Auditor determined that the failure to properly fund the alternative education requirement constituted an unfunded mandate. MASC has been working on this matter with several members of the Legislature including Representative Peisch, who was successful in adding an amendment to the House budget that created a line item for funding of alternative education programs and secured funding in the amount of \$246,000. MASC believes that this funding, welcome as it may be, is dramatically short of the approximately \$5 million cost of funding the mandate. Sen. Chang-Diaz is offering an amendment to fully fund the mandate, and another to essentially include the House funding amount. MASC supports both of these amendments and, of course, would prefer full funding; however, we realize that it is critical to establish a baseline budget to begin funding this account that may be subsequently increased.

SPECIAL NEEDS OUT-OF-STATE TUITION

The Senate Ways and Means budget in Section 120 requires the Bureau of Purchased Services to determine prices for special needs programs in F. Y. 2015 by increasing the final F. Y. 2014 price by the rate of inflation, and shall also adjust prices for extraordinary relief. The Operational Services Division shall authorize the annual price for out-of-state purchasers requested by a program, not to exceed the most recent price calculated for the program and applying the rate of inflation for each year in which the rate of inflation was frozen beginning with F. Y. 2004, in a compounded manner for each year.

SUBSTANCE ABUSE POLICY

Sections 88 and 96 of the Senate Ways and Means budget require each school district to have a policy regarding substance abuse prevention and the education of its students about the dangers of substance abuse. DESE and Public Health shall create a task force to develop a model policy that, in part, shall include the implementation of an evidence-based substance abuse prevention curriculum for grades 5 to 12, inclusive.

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