

MASS Massachusetts Association of School Superintendents

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TO: Mass Colleagues
FROM: Tom Scott, MASS Executive Director
With Roger Hatch, MASS School Finance

SUBJECT: Senate Ways and Means FY20 Chapter 70 and Education Budget Recommendations

On Tuesday afternoon Senate Ways and Means released its recommendations for the FY20 state budget. The budget proposes a budget of \$42.7 billion, an increase of 3.1 percent over FY19.

Chapter 70

Senate Ways and Means proposes a \$269 million increase (5.5%) that exceeds the House (\$219m) and Governor’s House 1 proposal (\$201m). Any of these would be the largest Chapter 70 increase in a decade. Inflation is at 3.75 percent—the highest since FY09.

The Senate proposal is consistent with many of the foundation budget changes put forth in the “Promise Act” if a seven-year phase-in were implemented.

The most significant difference between the Senate and previous FY20 proposals by the Governor and the House is in the area of economically-disadvantaged pupils. In the wealthiest five deciles, there is no difference. But in the poorest five deciles, the Senate rates exceed those in the House by between 220 and 382 dollars per pupil. This results in a \$102 million boost in this category.

Foundation budget dollars, Senate vs Gov and House					
	Governor	House	Senate	difference Sen vs Gov	difference Sen vs House
Economically Disadvantaged	1,430,435,343	1,433,078,912	1,534,977,333	104,541,990	101,898,421
Benefits	1,269,356,634	1,284,074,384	1,280,117,046	10,760,412	-3,957,337
Sped In-district	977,548,270	977,565,920	987,523,101	9,974,831	9,957,181
Sped Out-of-district	258,699,431	260,205,811	258,699,431	0	-1,506,380
English Learners	228,054,560	248,566,318	219,875,380	-8,179,180	-28,690,937

In the other areas, the differences are less dramatic. In fact, the Senate is lower than both the Governor and House in the English Learners category, by as much as \$29 million. The

Senate did not go along with the shift from elementary to the higher grades proposed by the Governor and House, although its rates do represent a phase-in.

The Senate is the only one of the three to address the in-district special education enrollment percentage immediately. The increase of just .04 percentage points from 3.75% to 3.79% generates \$10 million more in foundation dollars.

The Senate aid calculations use the same \$30 minimum aid per pupil as the House. 181 of the Commonwealth's 318 operating districts receive minimum aid. A hold-harmless provision guarantees that no district would receive any less aid than in the House. This affects 75 districts at a cost of \$1.7 million.

FY20 Chapter 70 Proposals, Compared to FY19, State Totals

	FY19	Governor FY20	House FY20	Sen W&M FY20	Difference Sen v House
Enrollment	941,411	939,683	939,683	939,683	0
Foundation budget	10,777,588,551	11,257,760,232	11,289,661,624	11,359,048,512	69,386,888
Required Contribution	6,246,842,886	6,486,506,020	6,497,626,523	6,513,607,368	15,980,845
Chapter 70 aid	4,906,614,766	5,107,600,566	5,125,302,254	5,175,694,094	50,391,840

The attached spreadsheet shows a comparison of each district's aid under the three proposals. The last column shows that there are 83 districts that receive more aid under the Senate proposal than in the House. Many of the significant increases are in Gateway cities.

When foundation budgets rise, minimum contributions do as well. Neither the House nor the Senate publishes either figure, so regional districts in particular should be aware that the preliminary numbers from January will change; most will be higher.

Other Aid Accounts

- Sped Circuit Breaker rises \$26 million over FY19 and \$16 million above the House.
- The charter reimbursement account increases by \$10 million to \$100 million, but is less than the \$113 million in the House. As in House 1 and the House, the current six-year schedule of payments would be replaced by three-years (100/60/40). The transitional aid proposed by House 1 and the House does not appear to be part of the calculation.
- The Senate does not fund the \$16.5 million reserve for low-income assistance proposed by the House. It is also lower than the House by more than \$1 million in the METCO and Homeless Transportation accounts.

Major Education Accounts, Proposed FY20 vs Final FY19						
					difference	difference
Program Name	final fy19	Governor FY20	House	Senate W&M	SWM v House	sen vs fy19
Chapter 70	4,906,614,766	5,107,600,566	5,125,302,254	5,175,694,094	50,391,840	269,079,328
SPED Circuit Breaker Program	318,895,293	323,887,071	329,137,071	345,054,803	15,917,732	26,159,510
Charter Reimbursements	90,000,000	106,000,000	113,000,000	100,000,000	-13,000,000	10,000,000
Regional Transportation	68,878,679	68,878,679	73,856,506	73,856,506	0	4,977,827
METCO	22,142,582	22,142,582	23,642,582	22,187,582	-1,455,000	45,000
Foundation Reserve	15,000,000	0	0	0	0	-15,000,000
Low-Income District Assistance	0	0	16,500,000	0	-16,500,000	0
Homeless Transportation	9,099,500	9,099,500	10,099,500	9,099,500	-1,000,000	0
School Lunch Program	5,314,176	5,314,176	5,314,176	5,314,176	0	0
School Breakfast Program	4,666,445	4,566,445	4,816,446	4,566,445	-250,001	-100,000
Non-Res Voke Transp	250,000	250,000	0	250,000	250,000	0
total, these accounts	5,440,861,441	5,647,739,019	5,701,668,535	5,736,023,106	34,354,571	295,161,665

Amendments to the Ways and Means budget will be debated in the coming weeks. MASS will continue to monitor the budget process and inform superintendents of any significant developments.

Links to Additional Information

Senate Legislative website: <https://malegislature.gov/Budget/SenateWaysMeansBudget>

DESE Chapter 70 website: <http://www.doe.mass.edu/finance/chapter70/fy2020/prelim.html>

DESE Charter Tuition estimates:

<http://www.doe.mass.edu/charter/finance/tuition/fy20/projection.html>

DLS Data Bank website: cherry sheets: <https://www.mass.gov/lists/cherry-sheet-estimates>