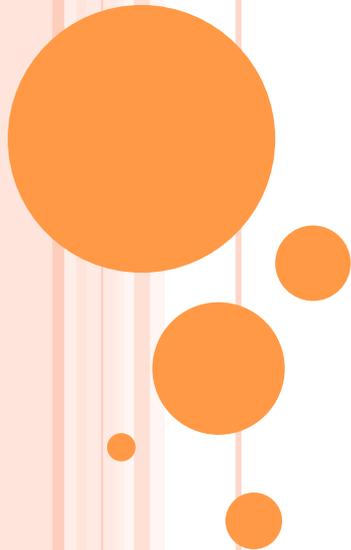


# SHREWSBURY PUBLIC SCHOOLS

*Chapter 70 State Aid Report and Update  
February 6, 2013*



# CHAPTER 70: THREE BASIC STEPS

## Foundati on Budget

- The Commonwealth's calculation of an "adequate" spending level for a district

## Target Local Share

- Based upon a community's "aggregate" property valuation and residents' income.
- Annual increments are calculated to get a community's total required contribution closer to its target.
- The total must be apportioned among the districts to which the community belongs.

## Aid

- Makes up the difference between a district's required contribution and its foundation budget.

Source: Department of Elementary and Secondary Education  
[http://finance1.doe.mass.edu/chapter70/chapter\\_14p.pdf](http://finance1.doe.mass.edu/chapter70/chapter_14p.pdf)



# SHREWSBURY'S PRELIMINARY CHAPTER 70 FUNDING FOR FY 2014

- State formula calculates that Shrewsbury does not qualify for any additional aid in FY14 based on financial need.

Need calculation for FY14 = \$18.31 million

Actual state aid in FY13 = \$18.75 million



# SHREWSBURY'S PRELIMINARY CHAPTER 70 FUNDING FOR FY 2014

- Even though calculation indicates Shrewsbury should receive less state aid in FY14, the Governor's budget provides for minimum aid of \$25 per pupil.

Actual state aid in FY13 = \$18.75 million

Preliminary state aid in FY14 = \$18.89 million

Difference = \$148,750



# WHY DOESN'T SHREWSBURY QUALIFY FOR MORE STATE AID?

- Enrollment increase was minimal (less than 1.0%)
- Adjustments to the Chapter 70 formula do not affect Shrewsbury because current actual aid already exceeds what the preliminary calculation says Shrewsbury should receive



# WHY DOESN'T SHREWSBURY QUALIFY FOR MORE STATE AID?

- Updated wealth calculation indicates Shrewsbury's share of an adequate public education should be 75% and the state's share should be 25%.
- State calculation indicates that Shrewsbury's initial required contribution is 9.34% below the target.
- The state's formula will move Shrewsbury's share incrementally towards the target over time.



# HOW DOES SHREWSBURY COMPARE TO OTHER COMMUNITIES?

- Out of 351 cities and towns in Massachusetts, 110 are considered to be contributing “below the target” for their local share of education funding, based on property value and income.
- Shrewsbury has the 13<sup>th</sup> largest shortfall, placing it in the bottom 4% of communities.
- Only one other Assabet Valley Collaborative community has a shortfall (Grafton – 4.00%)



# RANKING OF COMMUNITIES WITH LARGEST SHORTFALLS

1. Royalston	35.34
2. Tolland	24.95
3. Athol	19.29
4. Dudley	12.98
5. Hanson	11.96
6. East Brookfield	11.78
7. Upton	11.30
8. Fall River	10.70
9. New Bedford	10.02
10. Mendon	9.98



# RANKING OF COMMUNITIES WITH LARGEST SHORTFALLS

11. Spencer	9.78
12. Holyoke	9.38
13. <b>Shrewsbury</b>	<b>9.34</b>
14. Lawrence	9.03
15. West Brookfield	8.73
16. Gardner	8.67
17. Whitman	8.25
18. Northbridge	8.18
19. New Ashford	8.07
20. Weymouth	7.53



# HOW MUCH DOES SHREWSBURY SPEND ABOVE THE MINIMUM REQUIRED BY LAW?

- “Net School Spending” represents the amount of money each community must spend on public education.
- It is equal to the required local contribution plus the amount of Chapter 70 state aid provided, as determined by the state’s formula.

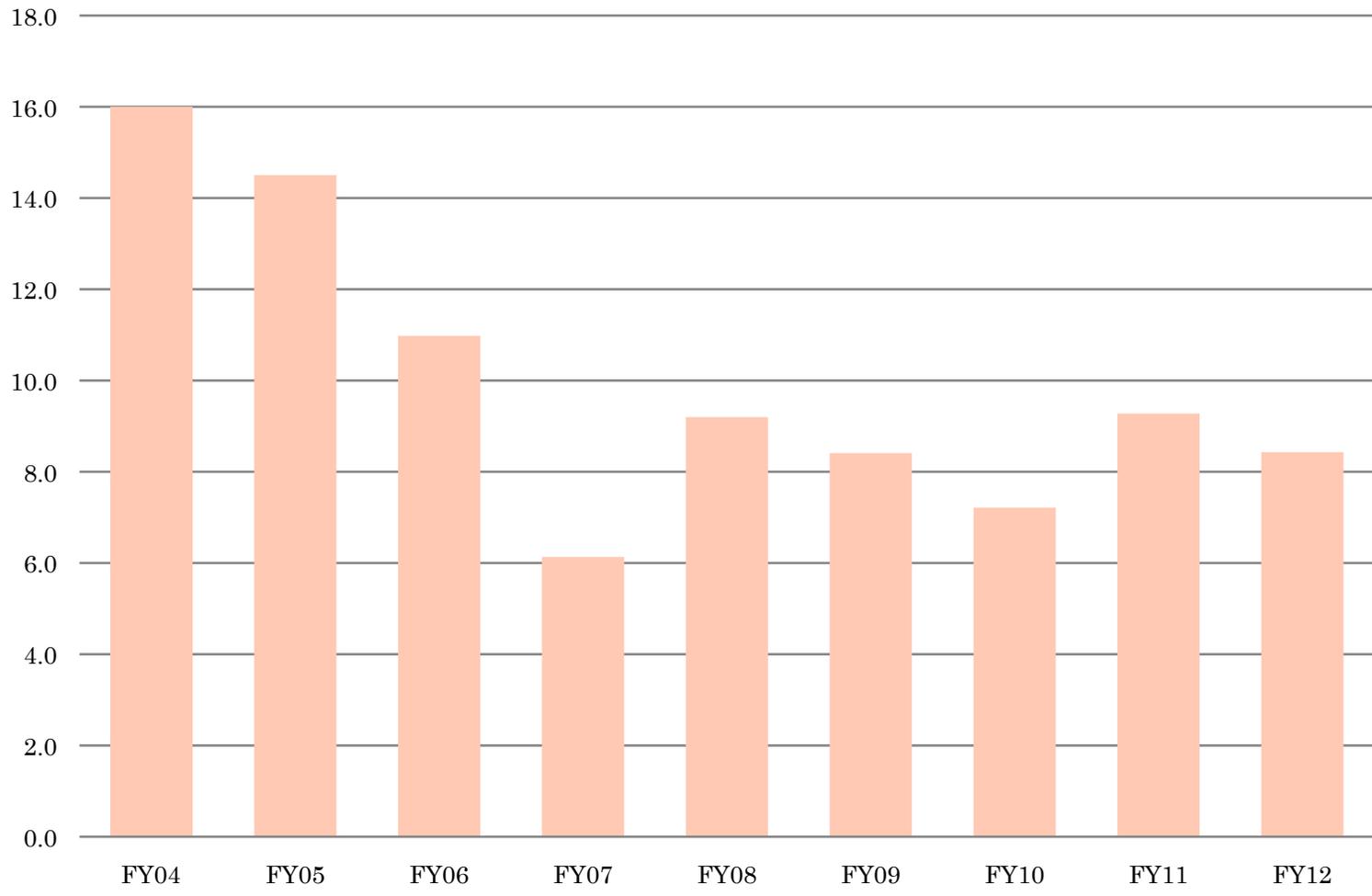


# HOW MUCH DOES SHREWSBURY SPEND ABOVE THE MINIMUM REQUIRED BY LAW?

- In FY12, Shrewsbury spent \$4.2 million more than the required Net School Spending on public education, or 8.9%
- Net School Spending includes municipal indirect spending for schools but excludes capital expenditures, transportation, grants and revolving funds.

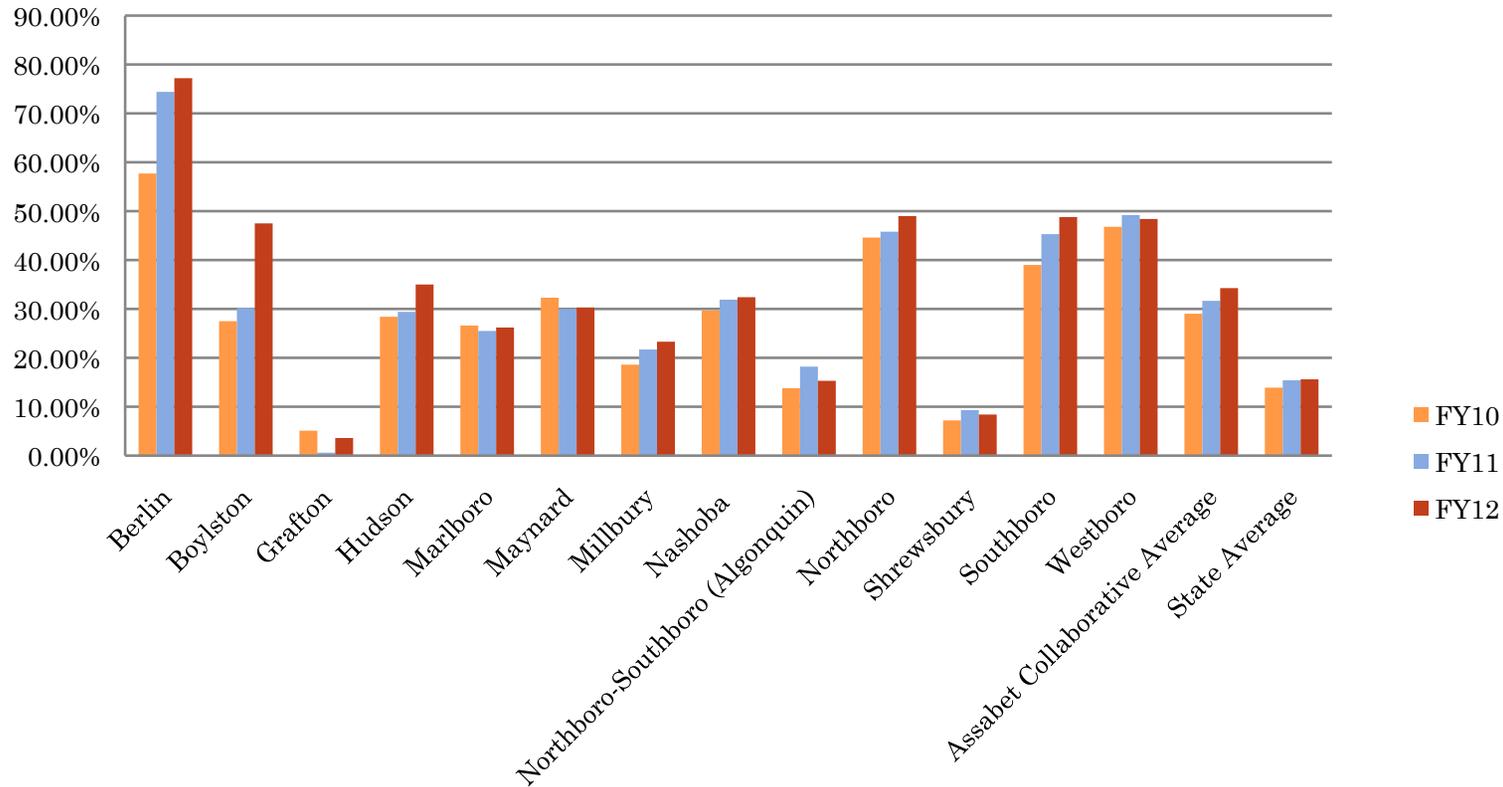


# SHREWSBURY: HISTORY OF PERCENTAGE SPENT ABOVE REQUIRED NET SCHOOL SPENDING



# ASSABET VALLEY COLLABORATIVE DISTRICTS: COMPARISON OF PERCENTAGES SPENT ABOVE NET SCHOOL SPENDING

## Percent Spent Beyond Required Net School Spending

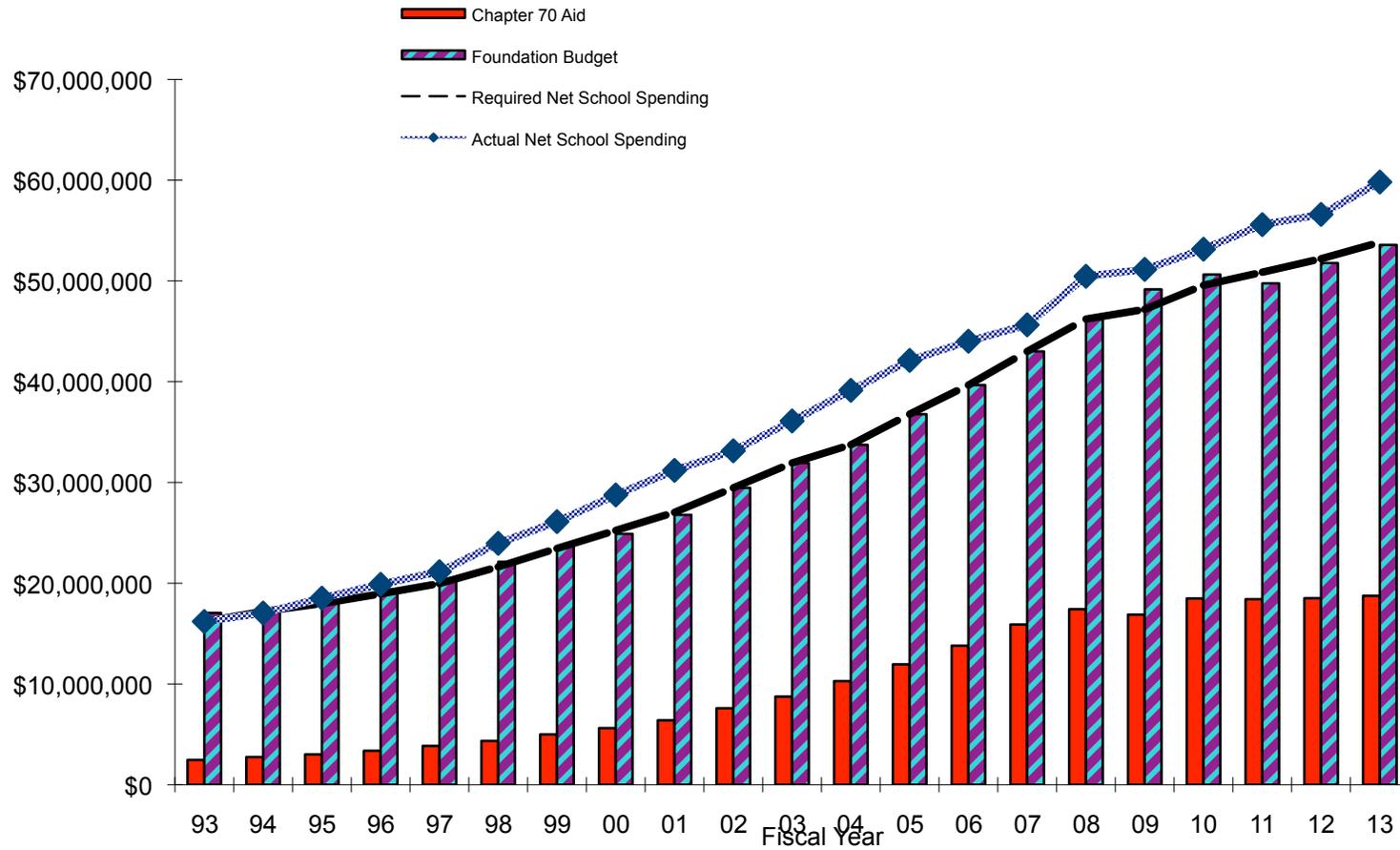


## FY12 Net School Spending Comparison

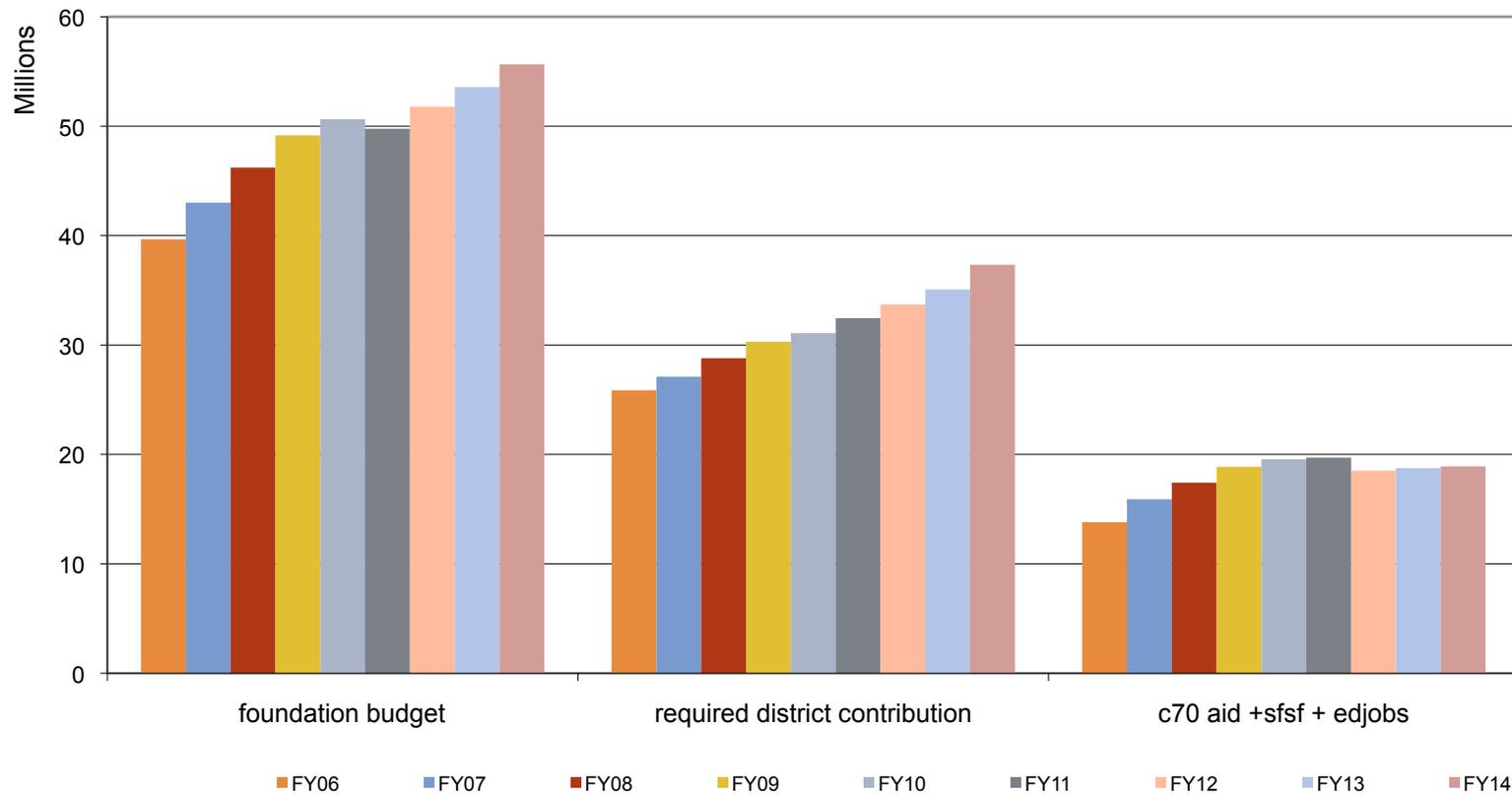
- State Average: 15% Above Requirement
- Assabet Valley Collaborative Average: 34% Above Requirement
- Shrewsbury Public Schools: 8% Above Requirement



# CHAPTER 70 TRENDS FOR SHREWSBURY



# CHAPTER 70 TRENDS FOR SHREWSBURY



## SUMMARY

1. The state formula only provides “minimum aid” to Shrewsbury (Preliminary amount: \$148,750)
2. The state’s wealth calculation indicates Shrewsbury is in the bottom 4% of all communities for its shortfall from the expected local contribution
3. While Shrewsbury contributes more than the minimum required to education, peer school districts contribute at considerably higher levels above the minimum.

