

FY20 Budget: State Funding Status Update

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Topics

- Categories of Funding
- Historical Data and Current FY20 Estimates
- Timeline for FY20

Categories of Funding

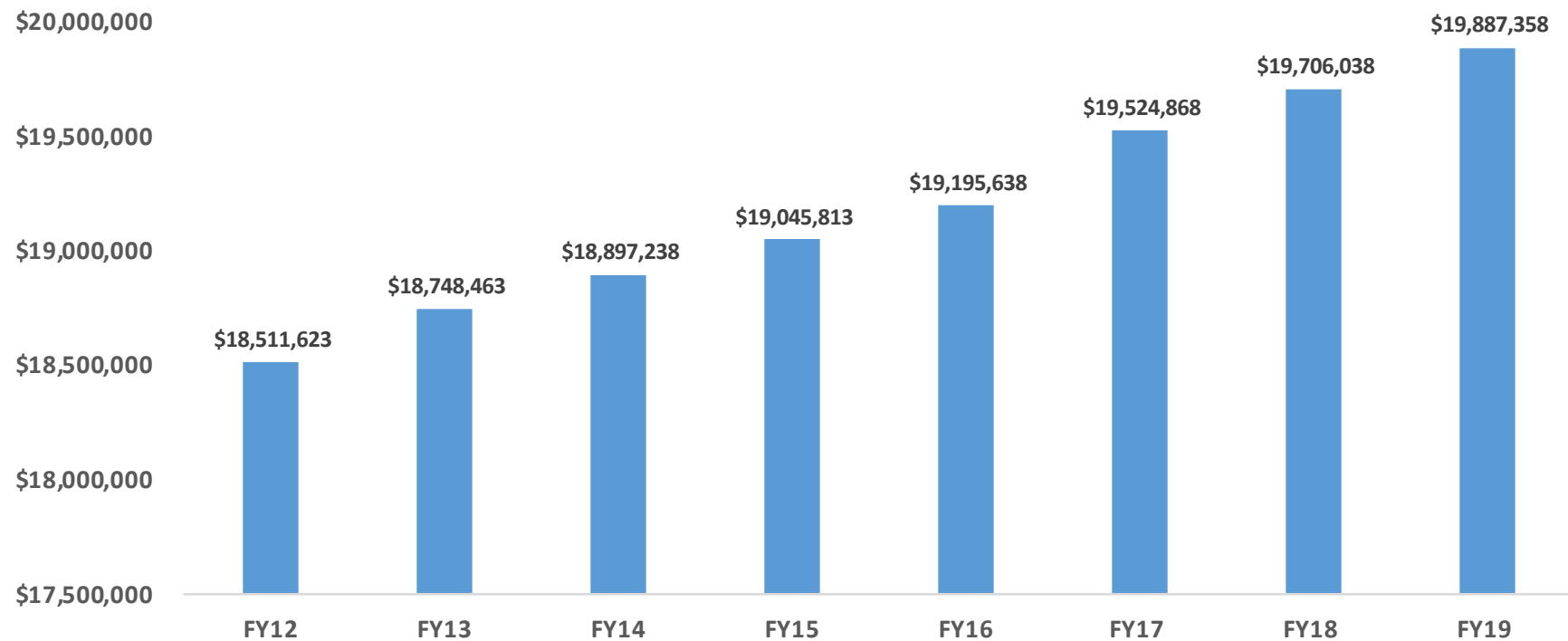
- Chapter 70 Aid
- Reimbursement Programs
 - Special Education Circuit Breaker
 - Charter School Students
 - Non-resident Vocational Transportation
- Grants for Targeted Needs

Chapter 70 Aid

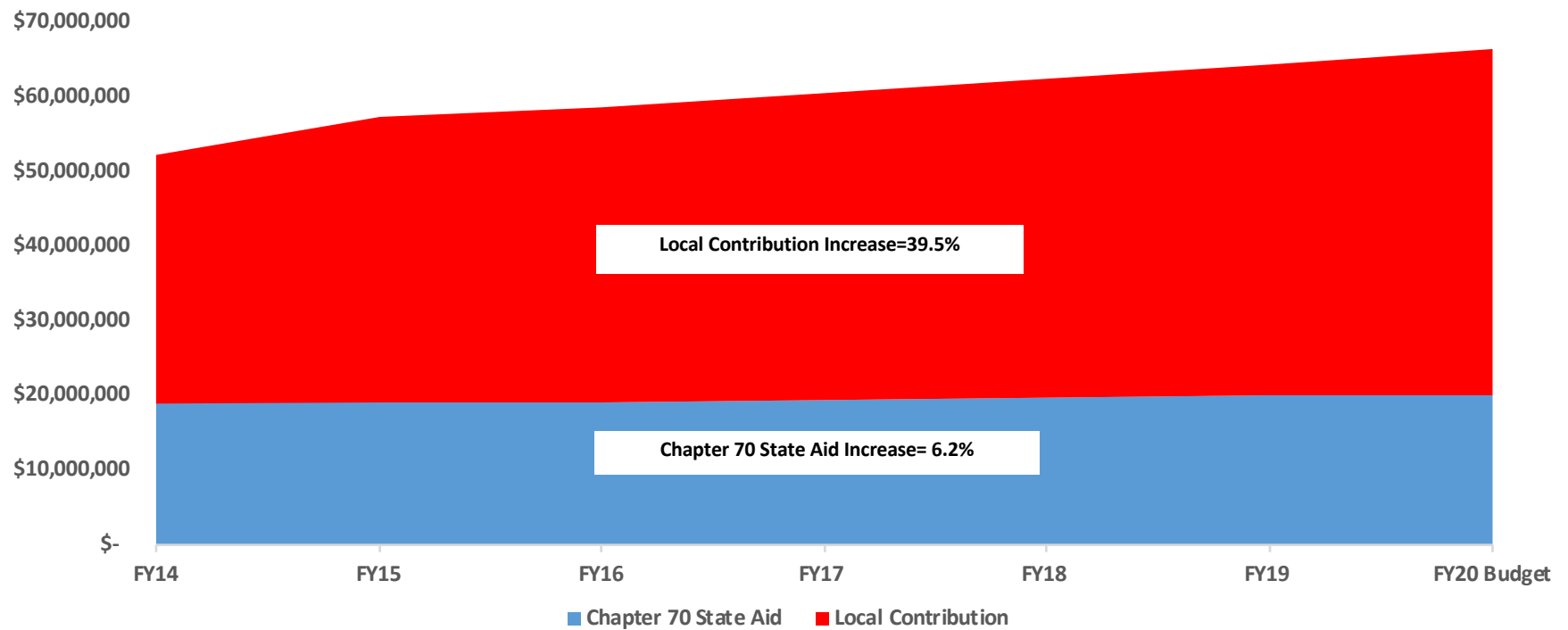
[Massachusetts General Law Chapter 70]

- The state has a constitutional responsibility to ensure adequate and equitable for all public school students.
- A complex formula is used to distribute state funding to all communities using a multitude of factors.
- The formula has changed several times since its inception as part of the 1993 Education Reform Act.
- Ch. 70 state aid is a “General Fund” receipt and is distributed on a monthly basis to the town coffers via the Town Treasurer.

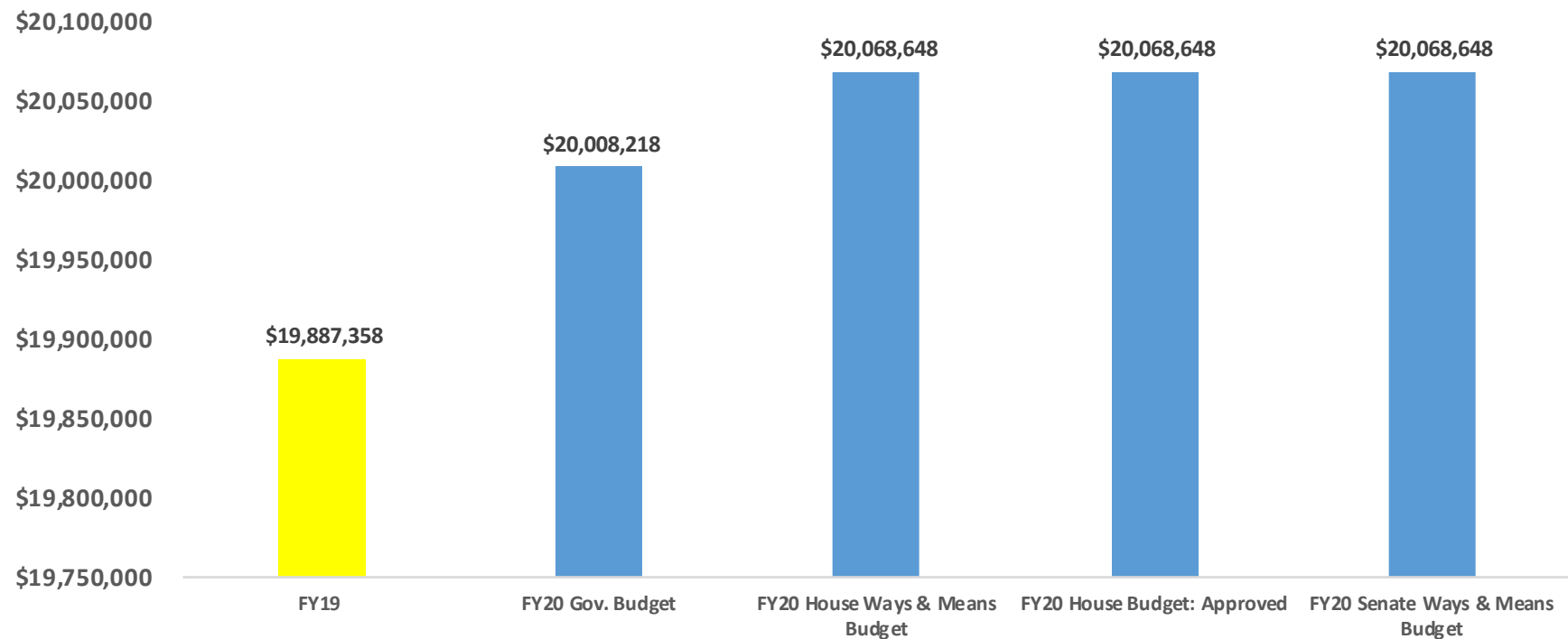
Chapter 70 Aid Funding History: Shrewsbury



Chapter 70 History: Long-term Trend



Chapter 70 Aid: FY20 Budget Estimates



Chapter 70 Aid: FY20

- Per the formula, Shrewsbury receives “Minimum Aid”. In FY20, a total of 183 communities are receiving only Minimum Aid.
 - In the Governor’s Budget, [new/additional] Minimum Aid was \$20/pupil for the year and for Shrewsbury amounted to \$120,860 in additional aid on top of the FY19 amount of \$19,887,358, for a the total amount of \$20,008,218.
 - The Legislature budgets all call for Minimum Aid to be \$30/pupil for an additional amount of \$181,290.
- Our FY20 Foundation Enrollment is 6,043 from the 10/1/2018 official enrollment count.
- Tuition-paying Full Day Kindergarten students are counted as a .5 student since parents are funding the other half day. If we had tuition-free Full Day Kindergarten we would receive an additional \$4,890 [326 half day students x \$15 [half of \$30]]

Chapter 70 Myth

- The amount of money we actually spend on education each year from all sources impacts the amount of state aid we receive.*

*Only a community that fails to spend at the statutory minimum of their calculated Foundation Budget is at risk of not receiving any state aid.

- In FY18 statewide, school districts collectively spent 25.7% more than Foundation Budget, while Shrewsbury spent 18.4% above minimum.
- This is part of the rationale for the Foundation Budget Review Commission [FBRC] recommendations to further modify the school finance formula.

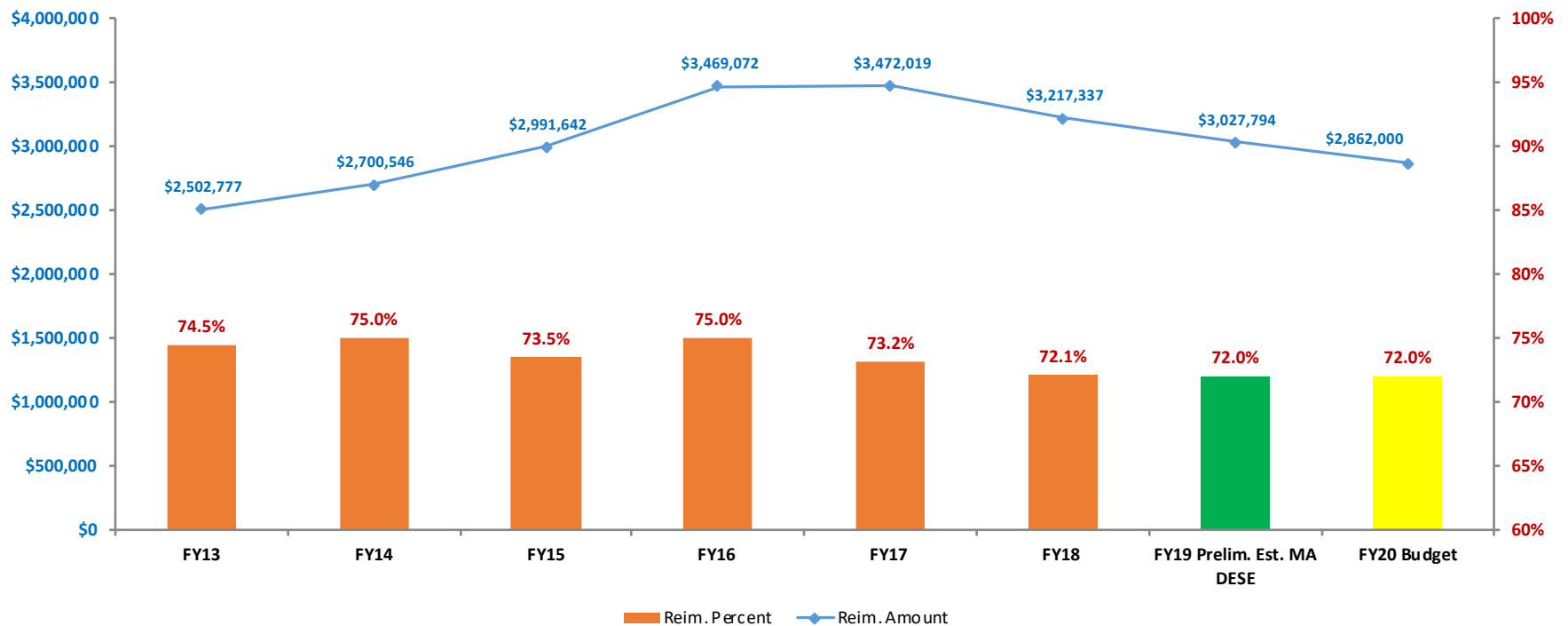
Special Education Circuit Breaker Reimbursement

- Provides fiscal relief in the form of state reimbursement for “high-cost” special needs students.
- For each student whose combined cost for all special educational services [excluding transportation] exceed \$45,793, the state will reimburse up to 75% of those costs, subject to annual appropriation.

Special Education Circuit Breaker Reimbursement

- Claims are made in July each year for the prior school year, and reimbursement received in the subsequent fiscal year. The July 2019 claim will include students in the 2018-2019 school year and we will receive reimbursement in FY20.
- Due to timing, reimbursement estimates by the School Dept. are necessary and create volatility/uncertainty. Estimates have two major variables: cost of student services and state level appropriation for the subsequent year.

Special Education Circuit Breaker Reimbursement History and FY20 Estimate



Charter School Aid

- The state has a reimbursement program for communities whose resident students opt to attend a charter school.
- The reimbursement formula is of course based upon sending enrollment.
- The reimbursement formula and amount appropriated on an annual basis by the state has changed considerably over time, and in recent years has not been fully funded.
- State estimates are provided on the “Cherry Sheet” for local budgeting purposes.
- Charter School Aid is a “General Fund” receipt and is distributed on a monthly basis to the town coffers via the Town Treasurer.

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Charter School Reimbursement History

Massachusetts Department of Elementary and Secondary Education

OFFICE OF DISTRICT AND SCHOOL FINANCE

Summary of Historical Sending District Charter School FTE, Tuition, and Reimbursements , FY96 to present*

Select your district using the drop down menu:

271 SHREWSBURY	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
FTE	127.16	144.14	130.79	116.28	104.36	98.19	73.17	52.00	33.77	28.00
Tuition	1,151,129	1,321,539	1,279,450	1,226,276	1,142,099	1,221,904	923,221	693,667	447,475	403,268
Facilities Aid	106,489	118,052	113,196	100,058	90,037	85,270	63,281	45,963	29,507	24,828
Chapter 46 Aid	351,695	330,718	85,807	38,006	38,663	81,365	-71	0	0	0
Total Aid	458,184	448,770	199,003	138,064	128,700	166,635	63,210	45,963	29,507	24,828
Net Cost to District	692,945	872,769	1,080,447	1,088,212	1,013,399	1,055,269	860,011	647,704	417,968	378,440

Charter School Projection FY20

- Students: 28

	House Budget-Approved	Senate Ways & Means
Tuition Cost	\$ 425,395	\$ 427,603
Reimbursement	\$ (26,257)	\$ (40,481)
Net Cost	\$ 399,138	\$ 387,122

Non-Resident Vocational Transportation

- Shrewsbury is required to provide transportation to students who attend Assabet Valley Regional Technical High School.
- Per state law, the district cannot charge a fee to students/families for this service.
- We currently operate three buses at an annual cost of \$200,083.
- Non-resident Vocational Transportation Reimbursement is a “General Fund” receipt and is distributed on at the end of the fiscal year to the town coffers via the Town Treasurer.

Homeless Student Transportation

- We are required by federal law to provide transportation to homeless students.
- For example, students who previously resided in Shrewsbury and attended Shrewsbury Public Schools, then became homeless and moved out of town have a right to retain enrollment in their S.P.S. school so we must transport.
- Homeless student transportation Reimbursement is a “General Fund” receipt and is distributed on at the end of the fiscal year to the town coffers via the Town Treasurer.

Non-Resident Vocational and Homeless Student Transportation Reimbursement History

TRANSPORATION REIMBURSEMENT-TARGETED NEEDS								
	FY13	FY14	FY15	FY16	FY17	FY18 est.	FY19 est.	
Homeless Transportation	\$ 100,252	\$ 28,341	\$ 7,456	\$ 16,113	\$ 6,195	\$ 9,059	\$ 12,000	
Non-Resident Vocational	\$ 6,917	\$ 89,646	\$ -	\$ 95,274	\$ 11,460	\$ 10,512	\$ 8,874	
Total	\$ 107,169	\$ 117,987	\$ 7,456	\$ 111,387	\$ 17,655			
Homeless Transportation	94.07%	50.83%	34.40%	36.10%	37.8%	33-35%	30%	
Non-Resident Vocational	6.80%	86.93%	0.00%	54.60%	6.39%	5.80%	4.80%	

FY20 Transportation Reimbursement Estimates

- Currently, there is no funding budgeting at the state level for Non-Resident Vocational Transportation in FY20.
- Homeless transportation services vary widely year-to-year. We expect the reimbursement rate to be approximately 30%.

State Budget Process Timeline

- We expect the state budget process to be finalized in late June or early July, long after Shrewsbury's Annual Town Meeting is completed.
- State reimbursements and aid for the FY20 budget are estimated by the Town Manager's Office and the School Department.