

Education Funding Vocabulary

Base Aid. The Education Aid that a municipality received in the previous year.

Chapter 70. State law that authorized the seven-year, Ch. 70 funding program for education and that established spending targets for school districts as a means to remedy educational inequities. Scheduled to end by FY00, the program has been extended, pending agreement on further reforms.

Chapter 70 Distribution Formula. The algorithm used to decide how new Chapter 70 moneys should be distributed to municipalities. The goal of this formula is to provide more aid to municipalities with greater need.

Choice. School districts may choose to allow out of district students to enroll. The 'sending district' pays \$5,000 annually to the receiving district for the choice student.

Charter Schools. A charter school is a public school that is governed by a board of trustees and operates independently of any school committee under a five-year charter granted by the Board of Education. It has the freedom to organize around a core mission, curriculum, theme, and/or teaching method and to control its own budget and hire (and fire) teachers and staff. In return for this freedom, a charter school must attract students and produce positive results within five years or its charter will not be renewed. There are two types of charter schools, *Commonwealth Charter Schools* and *Horace Mann Charter Schools*. They operate under the same set of rules as described above, with the following exceptions. First, a Horace Mann charter school must have its charter approved by the local school committee and the local teacher's union in addition to the Board of Education. Second, to the extent provided by their charters, Horace Mann charter schools may be exempt from certain provisions in local collective bargaining agreements. Third, employees of a Horace Mann charter school remain members of the local collective bargaining unit; continue to accrue seniority; and receive, at a minimum, the salary and benefits established by the local collective bargaining agreement.

Municipality. City or Town.

Equalized Valuation. (EQV) Full and Fair Cash Value of the property as determined by the Massachusetts Department of Revenue in a municipality. (Does this include non-taxed property ??)

Fiscal Year. Since 1974, the Commonwealth and municipalities have operated on a budget cycle that begins July 1 and ends June 30. The designation of the fiscal year is that of the calendar year in which the fiscal year ends. For example, the 2000 fiscal year is July 1, 1999 to June 30, 2000. Since 1976, the federal government fiscal year has begun October 1 and ended September 30.

Foundation Budget. In Massachusetts, the definition of an adequate spending level for a school district is called its "foundation budget." It is a statistical measure that was developed by a group of superintendents and an economist in the early 1990's. They developed a "model school budget" which quantified for the average school district what constitutes an adequate-but not excessive-level of funding. A district's foundation budget is derived by multiplying the number of pupils in fourteen enrollment categories by cost rates in eleven functional areas.

Foundation Enrollment. The number of students who are enrolled on Oct 1st of a particular year is the Foundation Enrollment for the following Fiscal Year.

Hold Harmless. In any year, a municipality will not receive less Chapter 70 aid than it received in a previous year

Local Effort. The funding that municipalities are supposed to provide from local revenues (property taxes, other municipal revenue sources). Initially, the target for Local Effort was \$9.40 per thousand of 'income adjusted' property value. (i.e. approximately 1% of its per capita EQV). However, some municipalities have never been able to reach this and are routinely excused from the requirement. After 2007 the Local Effort was capped at 82.5% of the Foundation Budget.

Municipal Revenue Growth Factor. An estimate of the percentage change in a municipality's [revenue](#) growth for a fiscal year. It represents the combined percentage increase in the following revenue components: automatic 2½ percent increase in the [levy limit](#), estimated [new growth](#), the change in selected unrestricted state aid categories, and the change in selected unrestricted [local receipts](#) ([Education Reform Act of 1993](#)).

Out of District. Students who are educated in a district where they do not live.

SPED. Special Education.

SPED Circuit Breaker. State helps to defray the costs of the most expensive SPED Students. The law is designed to reimburse districts for high cost students. The law reimburses instructional and tuition costs highly expensive students. Districts will be reimbursed 80% of instructional costs that exceed four times the Statewide Foundation Budget (The Statewide Foundation Budget for FY'02 is expected to be approximately \$7,000/pupil.) Transportation costs are not included and are reimbursed under Ch 71B sec 14. (Note: this is 'subject to appropriation' and has never been fully funded. In FY04, 35% reimbursement rate).

Title I. Federal Reading Assistance for low income students.

FTE. Full Time Equivalent. This is used both for students and for teachers. If students (typically kindergartners) are in school half time, they are counted as .5 FTE. If teachers work part time, they are considered some percentage of a FTE.

Self Study Questions

1. What fees are charged by your school system ? How have they changed over the last five years ? ten years ?
2. Chapter 70 includes an assumed SPED enrollment of 4% of the Foundation Enrollment and 5% of the Vocational Enrollment. What is the SPED population of your school according to this formula and in actuality ?
3. Chapter 70 includes an assumed out of district SPED population of 1% of Foundation Enrollment. What is the out of district SPED population for your school according to this formula and in actuality ?
4. How many students from your town attend charter schools ?
5. What is the Foundation Budget for your school district ? Does your school spend at or above foundation ? Has this changed over time ?
6. How has the relative spending for municipal services and educational services changed over time ?
7. How has the proportion of education expenses that are covered by Chapter 70 versus local effort changed over time ?
8. How has the proportion of the education budget that is spent on special education changed over time ?
9. How have user fees for school services changed ? (Fees for sports, clubs, transportation, college applications, etc)

References for Education Presentation

1. Mass Department of Education <http://www.doe.mass.edu>
2. Highlights of Fiscal Year 07 Changes in Chapter 70 aid including a summary chart showing the foundation enrollment, the foundation budget, the Chapter 70 aid and required local contribution for each school district http://finance1.doe.mass.edu/chapter70/chapter_07.html
3. Questions and Answers about Charter Schools <http://www.doe.mass.edu/charter/qanda.html>
4. Profiles of every school district <http://profiles.doe.mass.edu/>
5. Special Education Information
 - a. <http://finance1.doe.mass.edu/SchFin/sped>
 - b. <http://finance1.doe.mass.edu/seducation/>
 - c. <http://finance1.doe.mass.edu/account/circuit.html>
6. Massachusetts Department of Revenue [Home](#) > [Local Officials](#) > [Municipal Data and Financial Management](#) > [Data Bank Reports](#) (Source for all cherry sheet info since 1990) Extremely valuable resource.
7. Massachusetts Budget and Policy Center: Public School Funding in Massachusetts: How it Works, Trends since 1993
8. Financing Schools in Massachusetts: An Analysis of the Education Reform Act and Recommended Changes
A Report from the Fiscal Policy Committee of the League of Women Voters of Massachusetts
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