

School Finance and District Support

FY17 Update on State Aid Programs for Elementary and Secondary Education

August 10, 2016

The Governor has signed the fiscal year 2017 budget and the legislative session has ended. Here is a summary of the major provisions relating to state aid for elementary and secondary education.

Chapter 70

The FY17 budget allocates \$4,627,705,061 in Chapter 70 education aid to Massachusetts local and regional school districts. This is an increase of \$116 million or 2.6 percent. Every operating district receives at least \$55 in additional aid per student, and 101 operating districts receive increases so that they can keep pace with increases in their foundation budgets.

Special Education Circuit Breaker

The circuit breaker program has been funded at \$277,281,180, an increase of \$5.6m from last year's funding. Claim forms for FY16 expenses were due July 8th. Claims will be reviewed as they are received, and initial payments will be made this fall. We plan to post reimbursement information by mid-September. We expect the reimbursement rate for the initial payments this year will be between 73 and the statutory maximum of 75 percent. After we have posted the reimbursement information, we will announce the districts that will be audited this year as required by statute.

In addition to the reimbursement of FY16 expenses, \$5 million will be available for payments to districts experiencing extraordinary increases in their eligible FY17 expenses.

Charter School Tuition Reimbursement

The appropriation for charter school tuition is \$80,500,000, which is 58.8 percent of the full entitlement. The \$80.5 million includes \$35.3 in facilities aid which is funded at 100 percent. The remaining \$45.2 million covers 88.7 percent of the first year increase in tuition; the remaining five years of reimbursements are not funded.

The individual district amounts will change throughout the year as enrollment and tuition rates are finalized.

Regional and Vocational Transportation

Funding for regional school transportation funding was increased to \$61,021,000, a \$2m increase over FY16 and non-resident vocational transportation was funded at \$250,000, a decrease of \$1.5m from FY16. Payments will be made to districts based on reported expenses on the FY16 end of year financial returns. Final reimbursement percentages in FY16 were 73 percent for regional transportation and 54.6 percent for non-resident vocational. Reimbursements for regional transportation in FY17 will likely be between 70 percent and 72 percent, while the reimbursement percentage for non-resident vocational transportation will likely be approximately 7.8 percent. Final percentages will be calculated after we have received and processed all districts' end of year returns.

Homeless Transportation

The appropriation for homeless transportation reimbursement was funded at \$8,350,000 which is level funding. Payments will be made to districts based on reported expenses on the FY16 end of year financial returns. The final reimbursement percentage in FY16 was 36.1 percent for homeless transportation. The FY17 line item funding will enable us to reimburse districts between 31 and 33 percent.

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