



# MASSACHUSETTS

## Description of the Formula

The “Chapter 70” state aid formula provides \$4.4 billion in aid to school districts through a modified foundation program. A “foundation budget” averaging \$10,486 per pupil is calculated for each school district, based upon specific inflation-adjusted rates in fourteen enrollment categories and 11 functional areas. A methodology called “aggregate wealth” defines the target local contribution for each city and town. The target is derived by taking .3624 percent of each municipality’s total 2012 property valuation, and adding 1.5113 percent of its residents’ total 2011 income. These are the unique percentages which on a statewide basis yield exactly half of the contribution from property wealth and half from income. State “foundation aid” makes up the difference between a district’s target contribution and its foundation budget. On average, aid pays for 38.7 percent of foundation budgets, but the range varies from 14 percent to 98 percent.

## District-Based Components

### Density/Sparsity of Small Schools

Does not apply.

### Grade Level Differences

The regular education foundation rate is \$7,214 for elementary, \$6,840 for junior high/middle, and \$8,529 for senior high.

### Declining Enrollment or Growth

There is no specific component for declining enrollment. There was a “growth aid” provision from FY07 through FY09 but that has not been funded since that time. No district receives less than its foundation budget, plus an additional \$25 per pupil.

### Capital Outlay and/or Debt Service

School building assistance is calculated based on a formula that weighs a community’s property value and income against state wide averages and includes a poverty factor based on the district’s proportion of low income students. State bonds are issued backed by a penny of the state’s five-cent sales tax to support actual building expenses. Payments are made to communities for approved school projects as expenses are incurred, mitigating the state’s obligation on interest costs.

### **Transportation**

The state reimburses regional districts for transportation at a fixed rate dependent upon the appropriation each year. In FY14, the rate is estimated to be 66.4 percent. The state reimburses districts for homeless transportation costs at a rate of 50.8%. It also reimburses districts for the transportation of non-resident vocational students at a rate of 9%.

### **Charter Schools**

70 Commonwealth charter schools are funded by tuition transfers from quarterly Chapter 70 payments to school districts. The 32 thousand pupils at these schools count towards the sending districts' foundation enrollment.

## **Student-Based Components**

### **Special Education**

The Chapter 70 foundation budget includes an assumed special education percentage of enrollment and the corresponding costs are factored into the aid calculations. A separate "circuit breaker" program reimburses districts for 40 percent of special education instructional costs in excess of four times the prior year's state average foundation budget.

### **Pupil Weights for Special Education Programs**

In-district: the foundation budget includes an assumed full-time equivalent (FTE) special education enrollment of 3.75 percent of total non-vocational enrollment, 4.75 percent of vocational enrollment. For each assumed FTE, the special education in-district foundation budget rate is \$ 24,958.

Out-of-district: the foundation budget includes an assumed full-time equivalent special education enrollment of 1 percent of total non-vocational enrollment. For each assumed FTE, the special education out-of-district foundation budget rate is \$ 26,070.

### **Low Income / Comp Ed / At-Risk**

Each low-income pupil generates an extra increment of between \$ 2,767 to \$3,422 in foundation budget dollars.

### **English Language Learner/Bilingual Education**

Each limited-English pupil generates an extra increment of between \$637 and \$2,325 in foundation budget dollars.

### **Gifted and Talented Education**

Does not apply.

### **Preschool Education**

The Chapter 70 foundation budget includes preschool students whose parents do not pay tuition to the districts. In FY15, the rate is \$3,586

**Other**

A “wage adjustment factor” provides additional increments in foundation budgets of as much as 13 percent for communities in geographic areas with higher-than-average wages (all industries).

173 districts accept non-resident pupils through the school choice program, which is also funded from quarterly tuition transfers. These pupils also count toward the sending districts’ foundation enrollment.

**Revenue and Expenditure Information****State Mandates Restricting Revenue or Expenditure Increases**

Proposition 2-1/2 limits a municipality’s property tax levy to a 2.5 percent overall increase in its levy “limit” plus growth in tax base; local referenda can raise the limits either permanently or temporarily.

**Property Assessment Ratios Used/Legal Standards For Property Assessment**

Residential property is assessed at 100 percent of local market value.

**Measure of Local Ability to Support Schools**

Total equalized property valuation and total personal income of residents.

**School District Budget and Tax Rate Procedures/Sources of Local Revenues** All 328

operating school districts are fiscally dependent. Town meetings and city councils must approve school budgets. Local revenue is derived primarily from property tax, but also includes user fees and motor vehicle excise tax (state tax but revenues are kept locally).

**State Support for Nonpublic Schools**

In some cases local districts provide special education services and busing to private school pupils.

Massachusetts DOE website link for Chapter 70 information:

**<http://finance1.doe.mass.edu/chapter70/>**