

legislative bulletin

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To: All School Committee Members and Superintendents

From: Stephen J. Finnegan, Esq.

Date: June 16, 2004

Subject: Conference Committee Budget Fulfills Local Aid Compact

The differences between the House and Senate versions of the Budget for F.Y. 2005 have been resolved by a Conference Committee, and the final budget report is expected to be debated and forwarded to the Governor on June 16, 2004.

The Conference Committee report is not able to be amended, and the Governor has ten days to issue his vetoes. The Legislature is expected to take up the Governor's vetoes in a timely fashion.

Approximately two months ago the leadership of the House and Senate agreed to provide the same level of increased funding in three different accounts. First, Chapter 70, General Aid to Education, was funded with an additional \$75 million to ensure that every school district will remain at foundation budget levels for F.Y. 05. Second, the Conference Committee Budget included an \$80 million increase for the Special Education Circuit Breaker that raises total funding for this account to \$201 million. Reimbursements for eligible costs for expensive special education placements will rise from approximately 35% in fiscal year 2004 to about 65% in fiscal year 2005. Third, Regional School Transportation reimbursements are recommended to increase from \$26.4 million in F.Y. 04 to \$38 million in F.Y. 05, supporting a reimbursement rate of about 65-70% compared to an estimated 45-50% rate in 2004.

For access to your district's local aid disbursement you may reference the MASC website.

Charter School Moratorium

The Conference Committee adopted language that suspends the authority of the Board of Education to grant Commonwealth Charters to any applicant until July 31, 2005, or until such time as a new tuition formula has been enacted into law. During the period of suspension the Board shall not authorize additional enrollment, beyond that approved prior to January 1, 2004, in any existing or previously authorized Commonwealth Charter school. The approvals given to the five newest Commonwealth Charter schools has been suspended by the action of the Conference Committee. The five affected schools are as follows: the Advanced Math and Science Charter School in Marlboro, the Community Charter School of Cambridge, KIPP Academy Lynn Charter School,

Berkshire Arts and Technology Charter School and the Salem Academy Charter School. These schools shall not be allowed to open until the Department of Education, after the period of suspended authority, conducts a full review of the application and authorization process to insure that the letter and the spirit of the laws governing those processes have been followed by the Department and Board of Education.

A House and Senate Working Group, consisting of the Speaker and Senate President or their designees, the House and Senate Minority Leaders or their designees, and the Chairs of the Education and Ways and Means Committees or their designees, shall make recommendations on how to develop legislation to change the current financing formula for the charter schools. The first meeting of the Working Group shall take place within thirty days after the effective date of this law. Any legislation proposed by the Working Group shall require that funding be reflective of the grade level, program participation and demographic profile of the actual students enrolled in Charter schools. Such legislation shall be filed on or before December 1, 2004.

Charter school reimbursement to sending school districts was funded in the current year at \$13 million. The Conference Committee increased the funding to sending districts to \$37.7 million.

It is anticipated that the Governor will veto the Charter School Moratorium amendment. Please contact your legislators to ask that they take up the anticipated veto and vote to override.

Pothole Money

The so-called Pothole account was restored by the Conference Committee in the amount of \$6.8 million. This account provides funding for school districts that experience extraordinary increases in minimum required local contributions, extraordinary increases in enrollment and significant prior reductions in Chapter 70 aid, among other criteria.

(over)

Out of District Vocational School Transportation

The Conference Committee Budget recommends that \$800,000 be available to fund out-of-district vocational school transportation. This law was amended during 2003 to delete the provision to allow the sending school district to receive 50% state reimbursement for the transportation of non-resident students. The Conference Committee Budget rewrote G.L.c.71, §8A as follows: "subject to the appropriation, and upon voting to provide transportation to said students [the school committee of the city or town in which the student resides] shall be eligible for state reimbursement to the maximum extent of 50% for the cost of said transportation."

Special Education Tuition Rates

The state sets the rates that special education approved private schools charge for their services. The Conference Committee requires that all such rates remain at the level of the prior year except for programs that qualify for extraordinary relief or for programs that did not charge that maximum allowable amount in F.Y.04.

Furthermore, the applicant for a tuition increase, except for extraordinary relief, shall notify the public schools prior to October first of the fiscal year in which the application is filed. Upon the request of the program, the Operational Services Division shall authorize a minimum price for the program to charge out of state purchasers.

Budget Establishes Department of Early Education and Care

The Conference Committee Budget establishes a new Department of Early Education and Care, which will appoint a Commissioner by April 1, 2005. The Department shall serve as the lead agency for the administration of all public and private early education and care programs and services. A Board consisting of 9 members including the Secretary of Health and Human Services, the Commissioner of Education, the Chancellor of Higher Education and 6 members appointed by the Governor shall oversee the Department.

MCAS Remediation Grants

The Conference Committee Budget includes a \$14.4 million appropriation for MCAS academic support services. The appropriation represents a \$4.4 million increase over prior year funding.

Funding for the Various Education Accounts

METCO	\$15.6 million
School to Work	\$1.6 million
Early Childhood	\$74.6 million
Kindergarten Development Grants	\$23 million
Early Literacy	\$4.1 million
Adult Education	\$27.8 million
Education Technology	\$745,000
Student/School Assessment	\$18.6 million
Alternative Education	\$1 million
Gifted and Talented	\$100,000
Youth Build Grants	\$1.2 million
Mentoring Grants	\$287,000
Board of Early Education Care	\$600,000

Special Commission

Several Special Commissions were established in the Conference Committee report including the following: Disabled out-of-district special education placements with MASC membership; and a Middle School Special Commission with school committee membership.

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