

LEGISLATIVE BULLETIN

To: All School Committee Members and Superintendents
From: Stephen J. Finnegan Esq., MASC General Counsel
Re: Senate Ways and Means Budget Proposals for FY 2022
Date: May 11, 2021

FUNDING FOR CHAPTER 70, GENERAL AID TO EDUCATION

The FY 2022 Senate Ways and Means budget recommendations for the fiscal year beginning July 1, 2021 and ending on June 30, 2022 have been released. The current fiscal year has been materially interrupted by Covid-19 and has operated with a series of interim budgets, which have been reported in prior Legislative Bulletins. The Senate Ways and Means FY 2022 budget proposals contain supports for our students and schools to safeguard the health and wellness of our most vulnerable populations, and furthermore, are based on a tax revenue estimate of \$30.12 billion for FY 2022, representing a 3.5 percent growth, as previously contained in the Consensus Revenue process this past January. The \$149.1 million Senate Ways and Means budget makes a number of targeted investments to address the emerging needs of the Commonwealth as we recover from the lasting impacts of this pandemic. To that end, the Committee's budget maximizes state and federal revenue opportunities by proposing a total of \$47.6 billion in spending, a \$1.2 billion increase over the Fiscal Year 2021 General Appropriations Act. This spending recommendation is based on a tax revenue estimate that includes \$1.55 billion from the Stabilization Fund. Additionally, this budget excludes the use of federal American Rescue Plan funding as the Commonwealth awaits federal guidance. The Senate remains committed to fully implementing the Student Opportunity Act (SOA). The Ways and Means Committee budget fully funds the first year to help ensure we get back on schedule for full implementation by FY 2027. This budget funds Chapter 70 at its highest level ever at \$5.5 billion, an increase of \$220 million over FY 2021.

COVID-19 ENROLLMENT RESERVE

The Senate Committee's budget recommendation recognizes that many school districts have experienced fluctuations in student enrollment related to the Covid-19 pandemic. The Committee's budget creates a \$40 million reserve to provide additional aid to districts experiencing increases in student enrollment compared to October 2020.

SENATE WAYS & MEANS INCREASES SPECIAL EDUCATION CIRCUIT BREAKER AND REGIONAL TRANSPORTATION FUNDING

The Committee's Budget provides \$387.9 million for the Special Education Circuit Breaker, which reimburses school districts for the high cost of educating students with disabilities at the statutorily required 75% reimbursement rate and meeting the SOA obligation to begin reimbursing districts for the costs associated with out-of-district student transportation, thereby addressing items contained in the SOA funding requirement. The proposed budget also includes \$149 million to reimburse school districts at 75% for costs incurred when students leave to attend charter schools, and \$78.6 million for regional school transportation, which represents a 90% reimbursement rate. The Committee recommends funding METCO at \$26.6 million.

MENTAL HEALTH, EMOTIONAL LEARNING GRANTS AND SERVICES

A new account has been included in the Committee's proposals to address mental health and emotional learning grants. The Committee recommends \$5 million for Social Emotional Learning Grants to assist K-12 schools and also includes a new pilot program to provide universal mental health screenings for K-12 schools. The Senate Ways & Means budget recognized that the last year has had a wide impact on mental health and is investing about \$1 billion in mental health services and prevention programs.

UNRESTRICTED MUNICIPAL LOCAL AID

The Committee recommends an increase in unrestricted municipal local aid. This increase reflects a total investment to this account of \$1.168 billion. Unrestricted general government aid (UGGA) should reduce local budgetary tensions that sometimes arise between municipalities and schools.

RURAL SCHOOL AID

MASC is a member of the Rural Commission established in the FY 2020 Budget. Through this mechanism and other means we will advocate for our membership in general K-12 education, and MASC is pleased to see

\$3 million for Rural School Aid added to the Senate Ways & Means proposal. The budget will then be debated and voted on by the Senate. The budgetary process will then move to a Joint Conference Committee to reconcile the differences between the two branches.

You can find your districts' local aid in the Senate Ways & Means budget, which is posted on the MASC website. We are appreciative of the Senate's commitment to funding all education accounts and we will continue to advocate for appropriate levels of funding.