

masc

LEARNING LUNCH:

THE LATEST ON CHAPTER 70 FUNDING
FRIDAY, APRIL 11TH, 12:00PM

www.masc.org





~~70~~ 60

(minutes)

on

(chapter)

70

Why we have it

What it is

How it works

How it doesn't

What is changing

Spring (?) 2025

M I L K

F O R

B A B E S.

D R A W N

Out of the Breasts of both
T E S T A M E N T S.

Chiefly, for the spirituall nourishment
of *Boston* Babes in either *England*:
But may be of like use for any
Children.

By JOHN COTTON, B. D.
*and Teacher to the Church of Boston
in New-England.*

L O N D O N,
Printed by J. Coe, for Henry Overton,
and are to be sold at his Shop, in
Popes-head Alley.
1646.

“That every Township in this Jurisdiction, after the Lord hath increased them to the number of fifty Housholders, shall then forthwith appoint one within their town to teach all such children as shall resort to him to write and read, whose wages shall be paid either by the Parents or Masters of such children, or by the Inhabitants in general, by way of supply, as the major part of those that order the prudentials of the Town shall appoint.”

“Old Deluder Satan” law of 1647

**Studies In Public School
Finance**

Volume 2



FLETCHER HARPER SWIFT, RICHARD ARTHUR GRAVES,
ERNEST WALTER TIEGS, FRANCES KELLEY DEL PLAINE,
OLIVER LEONARD TROXEL, JOHN HAROLD
GOLDTHORPE

“No other state pursued so long and so completely the policy of placing almost the entire burden of school support upon the local communities”

Fletcher Swift, writing of Massachusetts in *Studies in Public School Finance* as cited by Matthew Gardner Kelly in *Dividing the Public: School Finance and the Creation of Structural Inequity* (2023)

“Wisdom and knowledge, as well as virtue,
diffused generally among the body of the
people, being necessary for the preservation of
their rights and liberties; and as these depend
on spreading the opportunities and advantages
of education in the various parts of the country,
and among the different orders of the people, it
shall be the duty of legislatures and
magistrates, in all future periods of this
Commonwealth, to cherish the interests of
literature and the sciences, and all seminaries
of them; especially the university at
Cambridge, public schools and grammar schools
in the towns . . .”

McDuffy v Secretary
of State Executive
Office of Education
1993

“In this light, we have considered the proper meaning of the words "duty" and "cherish" found in c. 5, Section 2. What emerges from this review is that the words are not merely aspirational or hortatory, but obligatory. What emerges also is that the Commonwealth has a duty to provide an education for all its children, rich and poor, in every city and town of the Commonwealth at the public school level, and that this duty is designed not only to serve the interests of the children, but, more fundamentally, to prepare them to participate as free citizens of a free State to meet the needs and interests of a republican government, namely the Commonwealth of Massachusetts.”

REAS
MILE 25
3/10/02

L A W S

OF THE

Commonwealth of Massachusetts,

PASSED BY THE GENERAL COURT

AT THEIR SESSION, WHICH COMMENCED ON WEDNESDAY THE 26th DAY

OF MAY, AND WHICH ENDED ON THE 10th DAY OF JUNE, 1812.

Published agreeably to a Resolve of 16th January, 1812.



BOSTON,

PRINTED BY RUSSELL & CUTLER.

Massachusetts General
Law
Chapter 70, section 1

“It is the intention of the general court, subject to appropriation, to assure fair and adequate minimum per student funding for public schools in the commonwealth by defining a foundation budget and a standard of local funding effort applicable to every city and town in the commonwealth.”



“Chapter 70” thus is just often used as shorthand for...

State funding for education



There are two parts to the question:

1. How much does it cost?

2. Who is going to pay for it?

The state has a big new school funding law. Here's what it means

By

MASS LIVE

NEWS

Gov. Charlie Baker signs \$1.5 billion education funding bill into law

Updated: Nov. 26, 2019, 2:07 p.m. | Published: Nov. 26, 2019, 1:59 p.m.



CommonWealth
BEACON

POLITICS, IDEAS, AND CIVIC LIFE IN MASSACHUSETTS

DONATE



NEWS ▾ OPINION IN DEPTH BY THE NUMBERS THE CODCAST MEMBERSHIP ABOUT ▾

EDUCATION

On target: ed reform money reaching poorer districts

New state aid flowing to needier systems, as intended, while 141 districts see only minimum increase

by SHIRA SCHOENBERG
October 30, 2022



Dalaliz, a kindergartener at the Kelly School in Holyoke, asks a question to an Enchanted Circle artist. (Photo by Sarah Betancourt)

Student Opportunity Act

- FY26 is Year five of a six year implementation
- Within the foundation budget, this includes:
 - A separate inflation rate for health insurance
 - An increase in the in-district special education percentage
 - An increase in the dollar amount per pupil for English learners
 - An increase in the dollar amount per pupil for low income students

Instructional
Leadership

Administration

Classroom & Specialist
Teachers

PD

Other
teaching
services

Instructional
Materials, Equipment,
and Technology

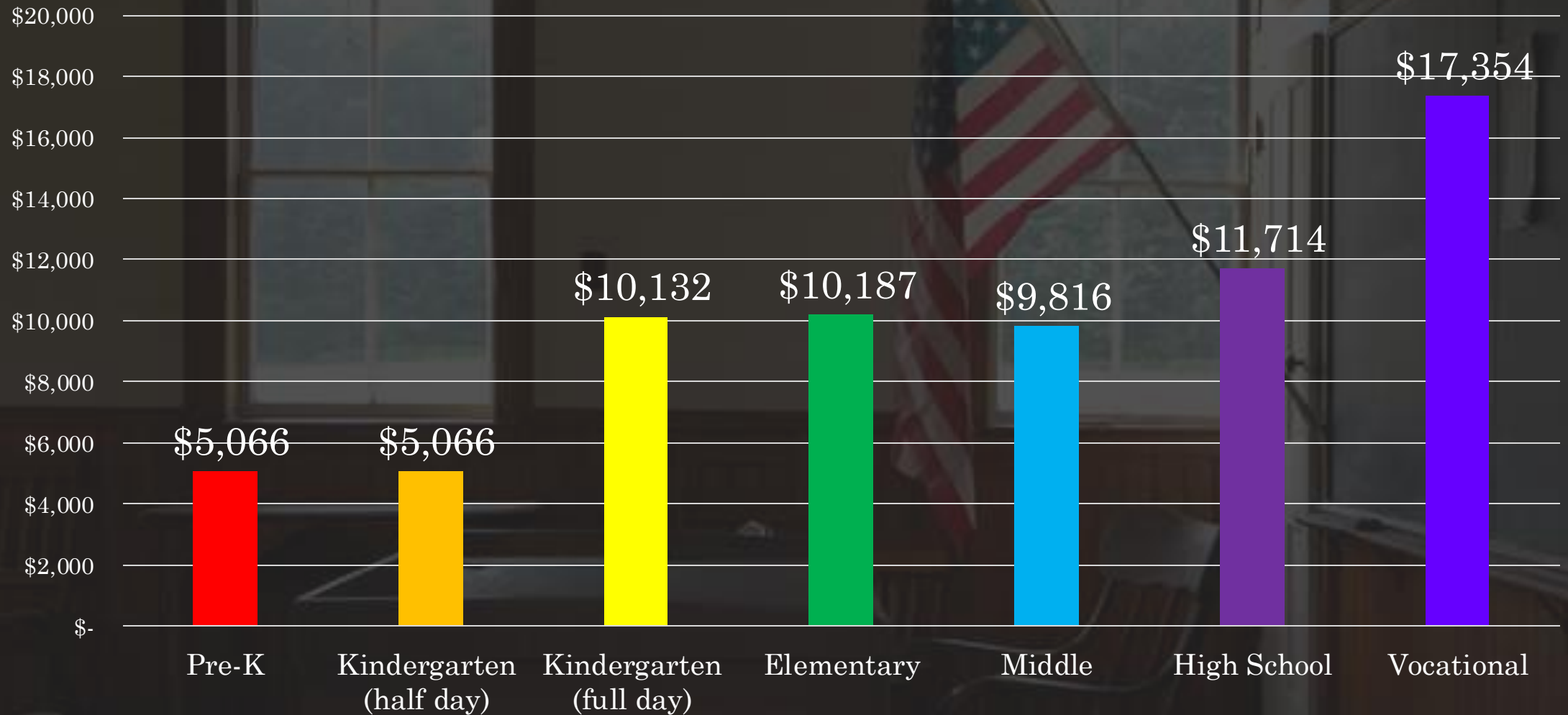
Base foundation
amount

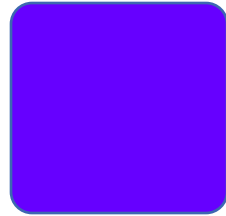
Education
Tuition

Benefits/Fixed
Charges

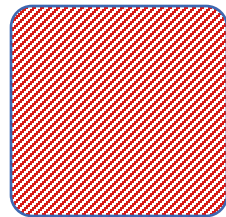


Foundation budget rates: FY26





English Learner
increment

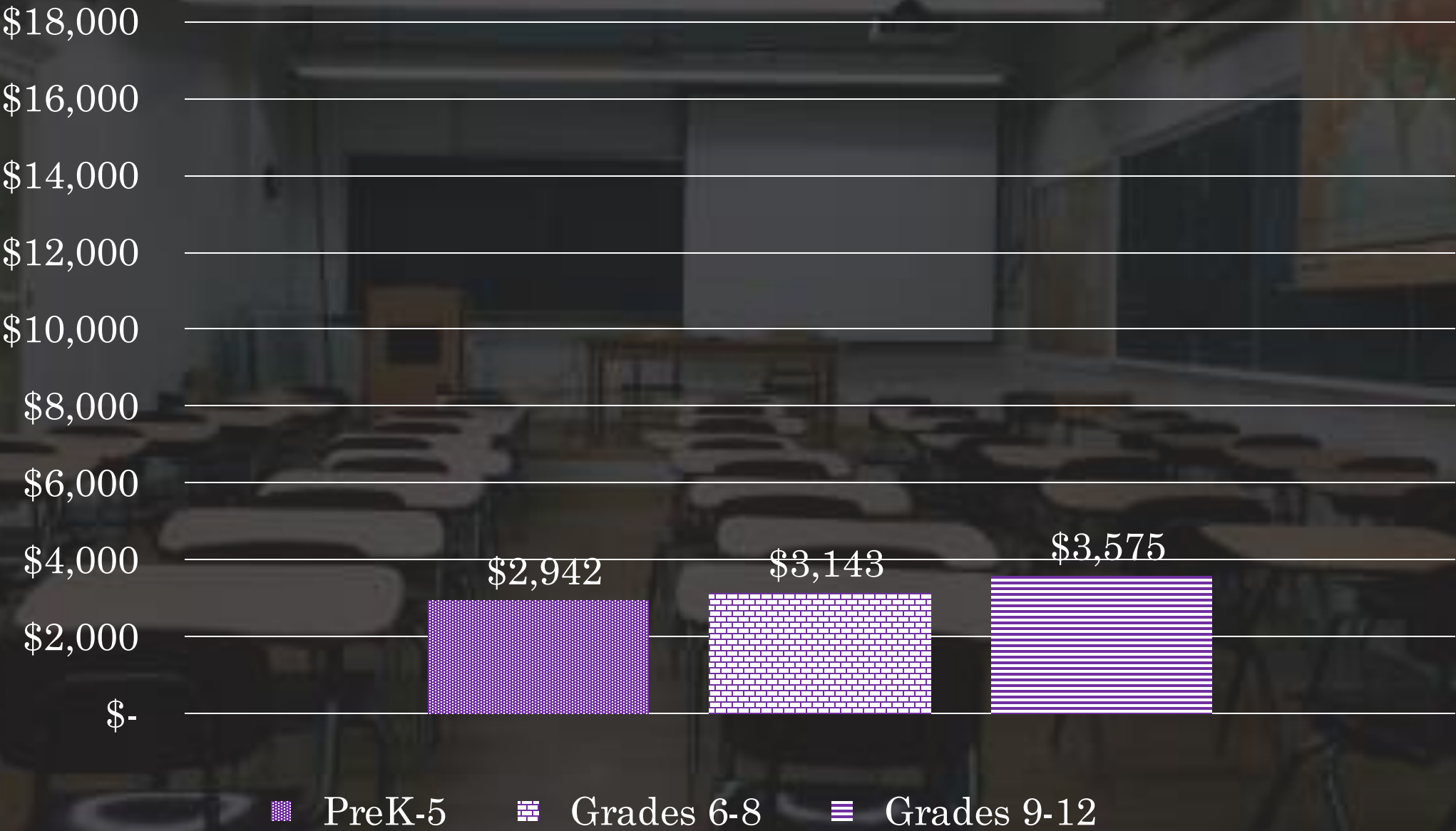


Low income
increment

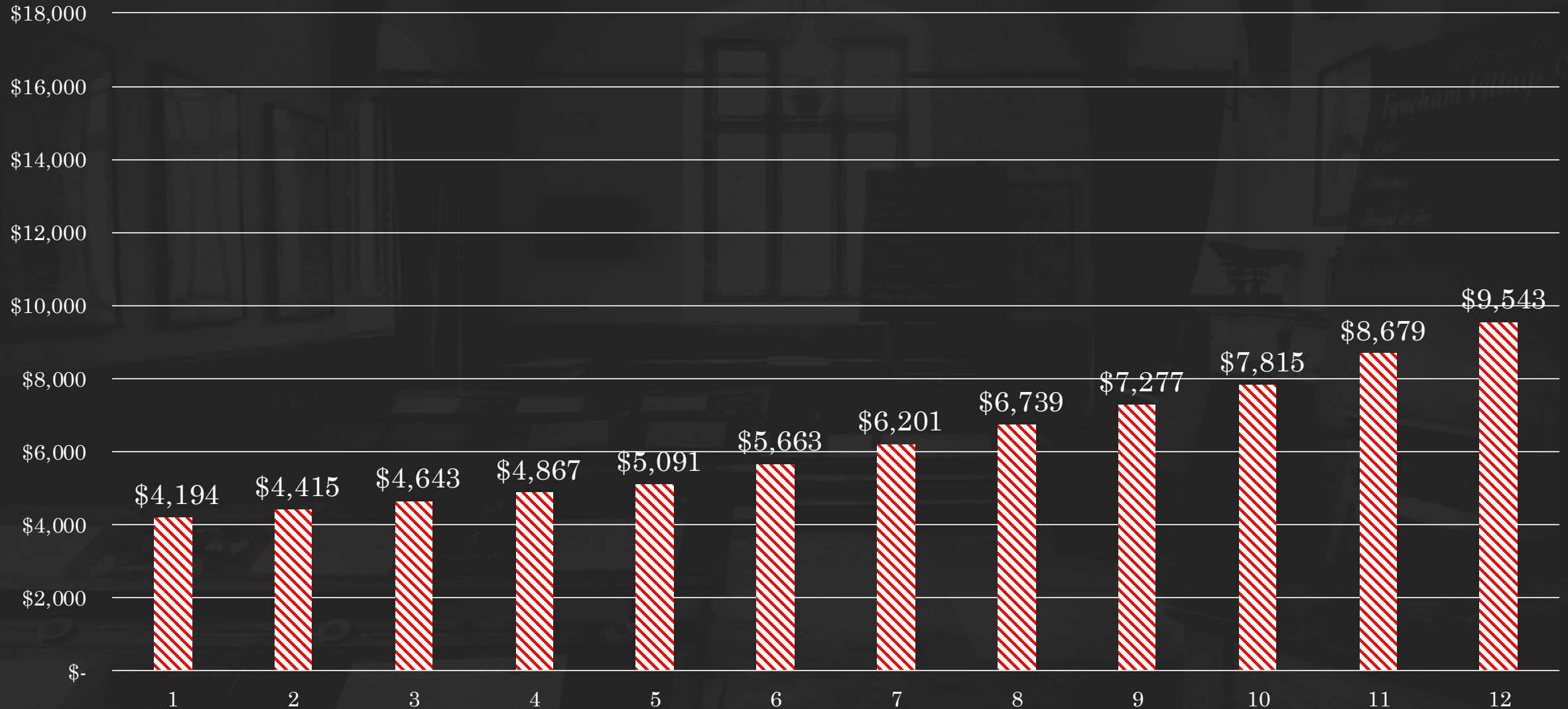
Base foundation
amount



English learners increment: FY26



Low income: FY26



Low-income group 1 (0-5.99%) • Low-income group 2 (6-11.99%) • Low-income group 3 (12-17.99%) • Low-income group 4 (18-23.99%) •
Low-income group 5 (24-29.99%) • Low-income group 6 (30-35.99%) • Low-income group 7 (36-41.99%) • Low-income group 8 (42-47.99%)
Low-income group 9 (48-53.99%) • Low-income group 10 (54-69.99%) • Low-income group 11 (70-79.99%) • Low-income group 12 (80%+)

Low Income to Economically Disadvantaged back to Low Income

Beginning in FY17, the “low income” designation was replaced by an “economically disadvantaged” designation. The state determines the number of students in the district who are enrolled in:

- **Supplemental Nutrition Assistance Program (SNAP)**
- **Transitional Assistance for Families with Dependent Children (TAFDC)**
- **Department of Children and Families' (DCF) foster care program**
- **MassHealth (Medicaid).**

This is called direct certification.

The state is now using the above PLUS students identified by districts as homeless, and students the district confirmed had met the low-income criteria through the supplemental process and collected the required supporting documentation.

We are now also using the term “low income” again.



1%

- Out of district special education

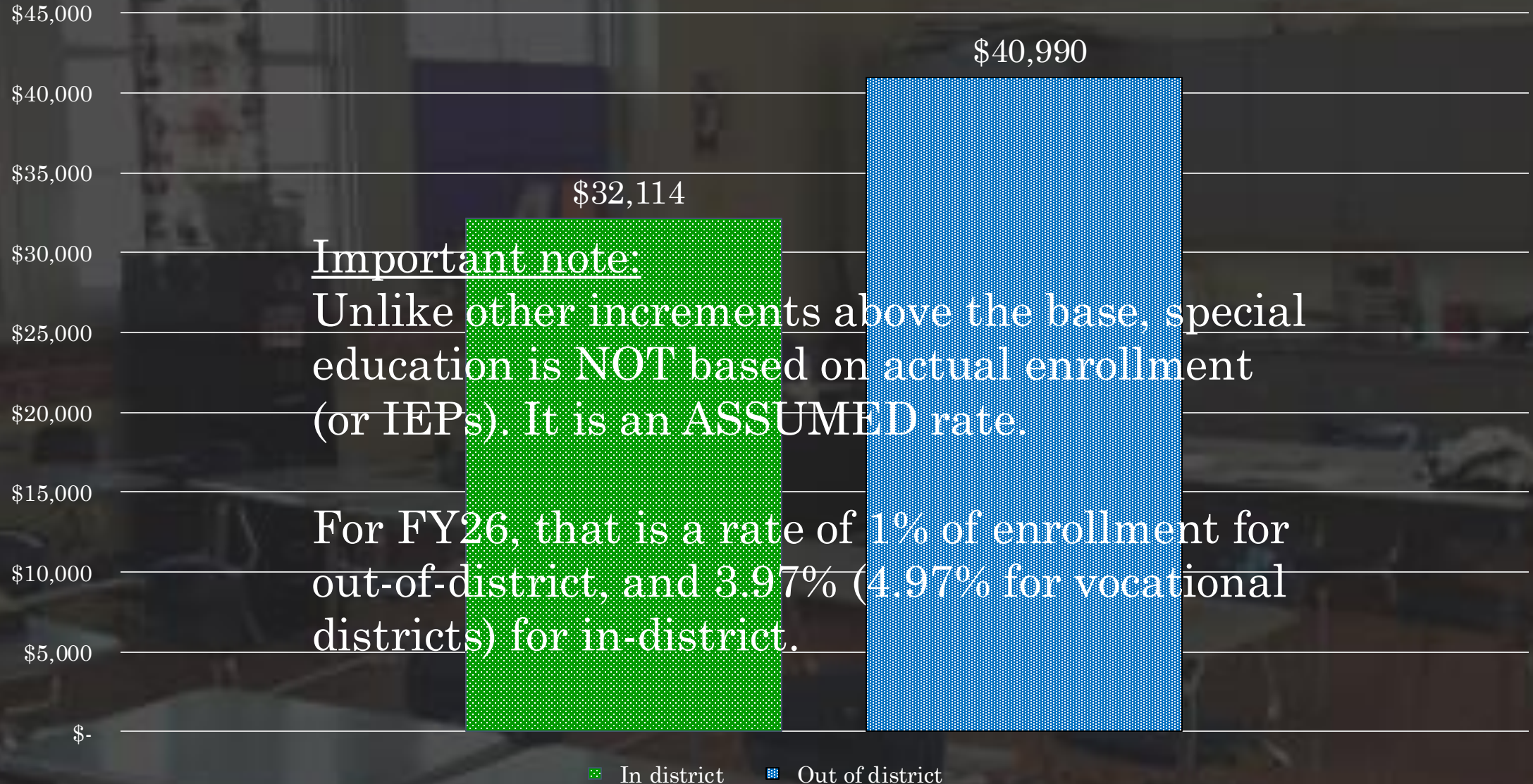


3.97%*

- In district special education

*4.97 for vocational districts

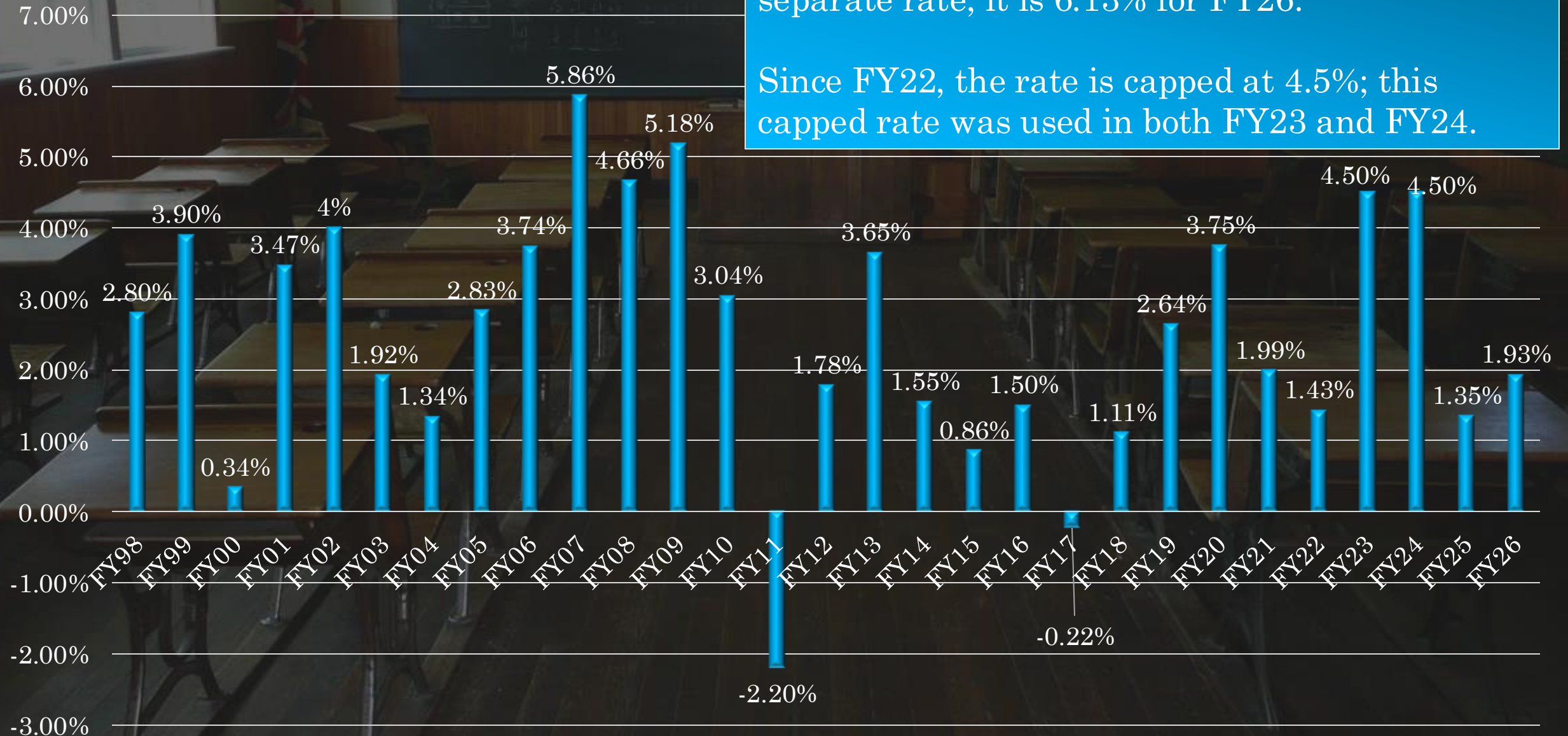
Special education:FY26



Inflation rate*: FY26

NOTES: Since FY22, health insurance has a separate rate; it is 6.13% for FY26.

Since FY22, the rate is capped at 4.5%; this capped rate was used in both FY23 and FY24.



*rate of change in the Implicit Price Deflator Index for State and Local Governments



From one year to the next, then, your foundation budget will change due to two factors*:

- Enrollment changes
- Inflation changes

*prior to and now aside from the Student Opportunity Act implementation!

Adding it up for Southbridge in FY26

category	enrollment	Per pupil \$	total
Preschool	67	\$5,066.15	\$339,432
Full day K	206	\$10,132.46	\$2,087,287
Elementary	943	\$10,187.23	\$9,606,558
Middle	510	\$9,815.77	\$5,006,043
High	549	\$11,714.46	\$6,431,239
<i>In-district sped</i>	88	<i>\$32,114.34</i>	<i>\$2,826,062</i>
<i>Out-of-district sped</i>	22	<i>\$40,989.80</i>	<i>\$901,776</i>
<i>English learners (K-5)</i>	211	<i>\$2,941.74</i>	<i>\$620,707</i>
<i>English learners (6-8)</i>	65	<i>\$3,143.15</i>	<i>\$204,305</i>
<i>English learners (9-12)</i>	102	<i>\$3,575.49</i>	<i>\$364,700</i>
<i>Econ. Disadvantaged (group 12)</i>	1,677	<i>\$9,543.38</i>	<i>\$16,004,248</i>
Total	2,242		\$44,392,356

Increments above the base are in italics

Categories with zero students not included

Adding it up for Central Berkshire Regional in FY26

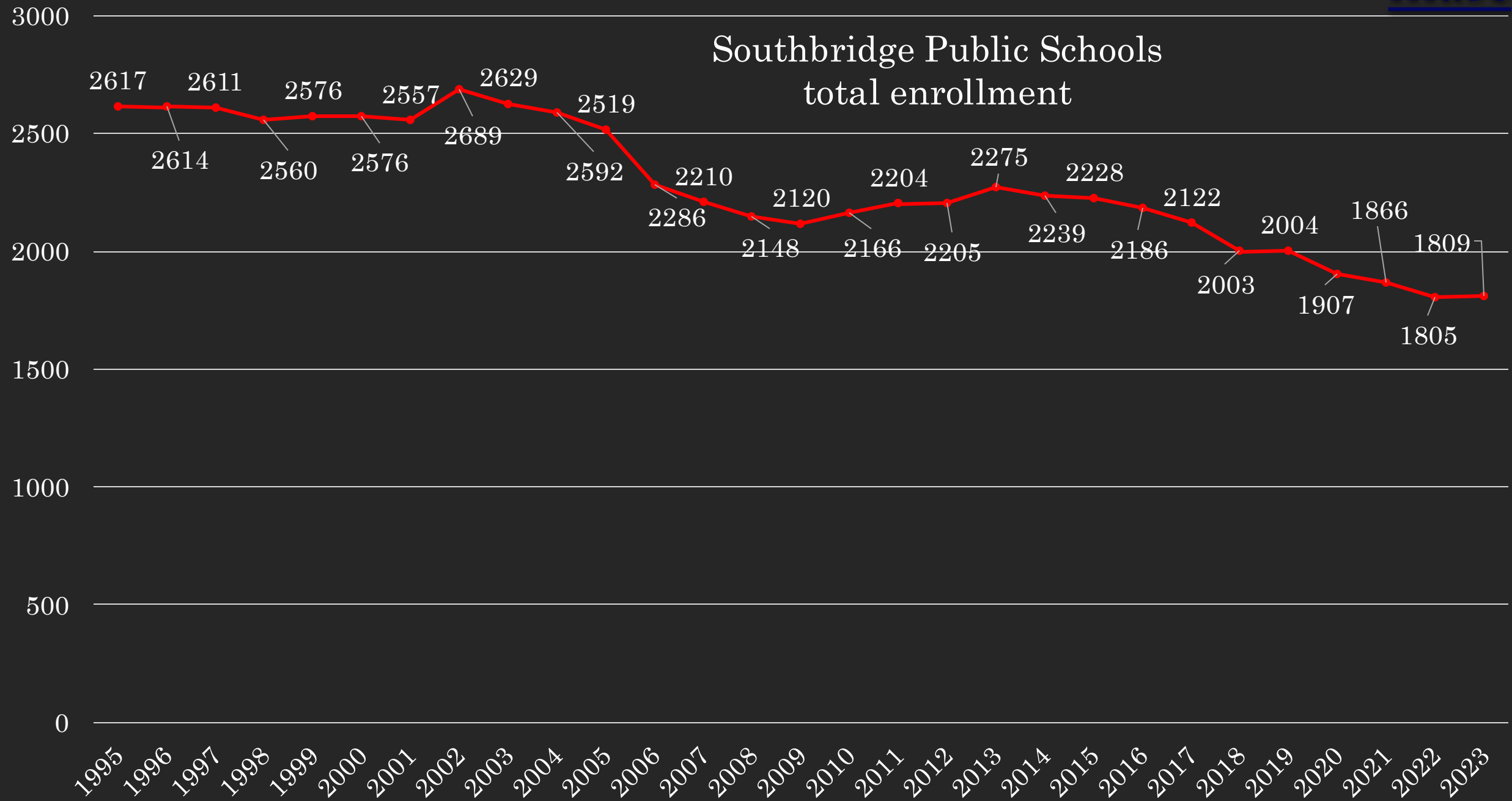
category	enrollment	Per pupil \$	total
Preschool	57	\$5,066.15	\$288,771
Full day K	76	\$10,132.46	\$770,067
Elementary	568	\$10,187.23	\$5,786,347
Middle	375	\$9,815.77	\$3,680,914
High	444	\$11,714.46	\$5,201,220
<i>In-district sped</i>	<i>58</i>	<i>\$32,114.34</i>	<i>\$1,862,632</i>
<i>Out-of-district sped</i>	<i>15</i>	<i>\$40,989.80</i>	<i>\$614,847</i>
<i>English learners (K-5)</i>	<i>8</i>	<i>\$2,941.74</i>	<i>\$23,534</i>
<i>English learners (6-8)</i>	<i>2</i>	<i>\$3,143.15</i>	<i>\$6,286</i>
<i>English learners (9-12)</i>	<i>7</i>	<i>\$3,575.49</i>	<i>\$25,028</i>
<i>Econ. Disadvantaged (group 8)</i>	<i>714</i>	<i>\$6,738.84</i>	<i>\$4,811,532</i>
Total	1492		\$23,071,177

Increments above the base are in italics Categories with zero students not included



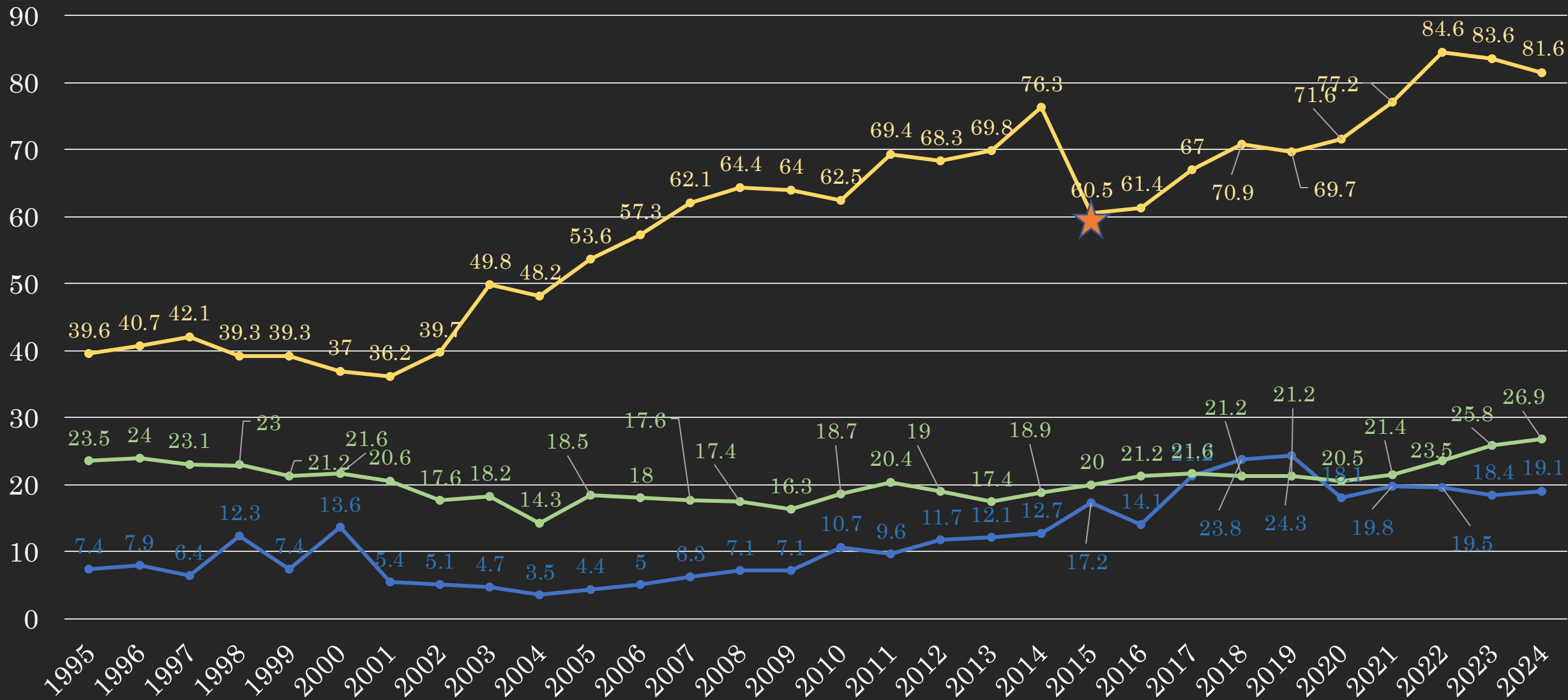
NB:

Districts can, and most do, spend more than
this.

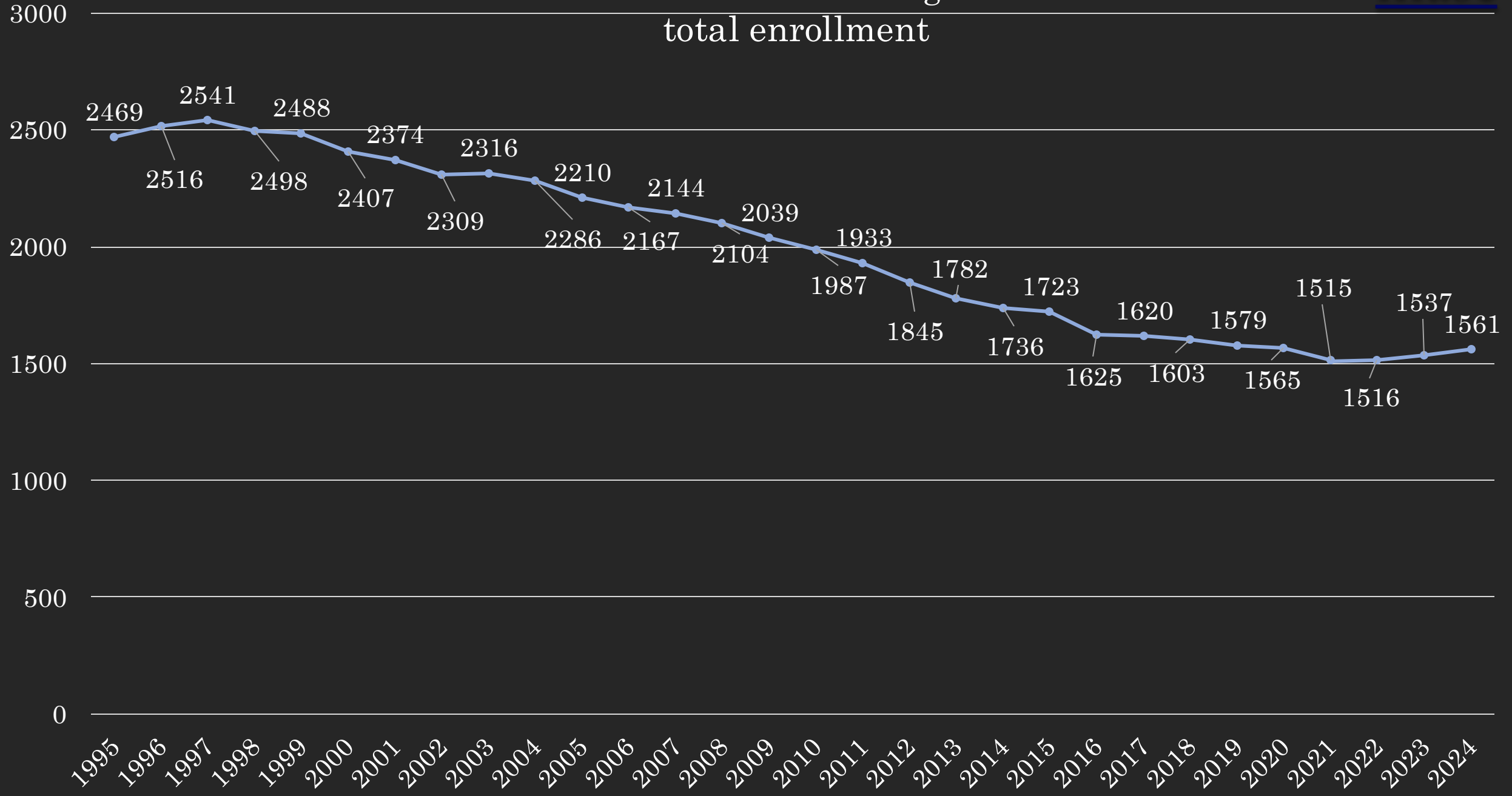


Southbridge Public Schools

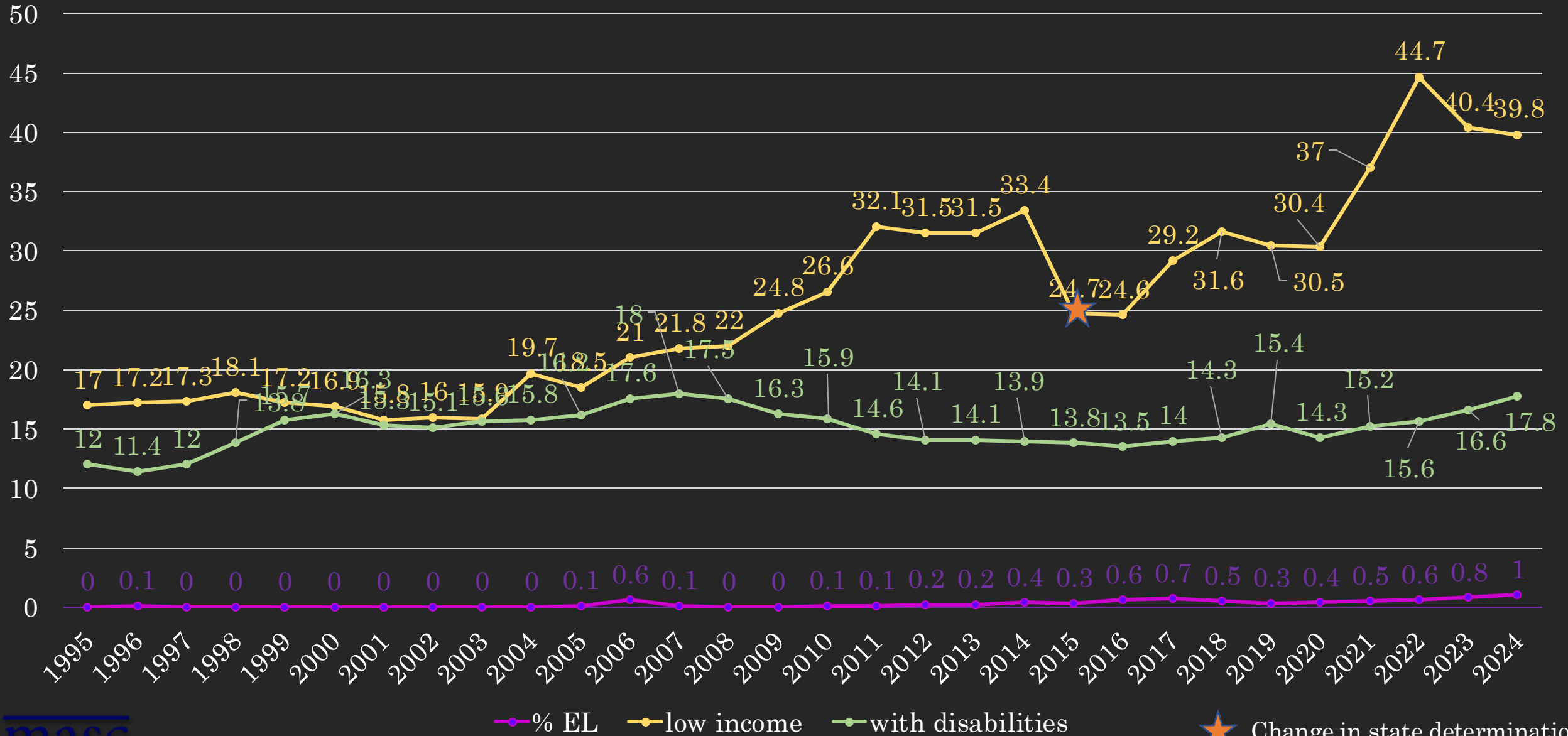
% selected populations



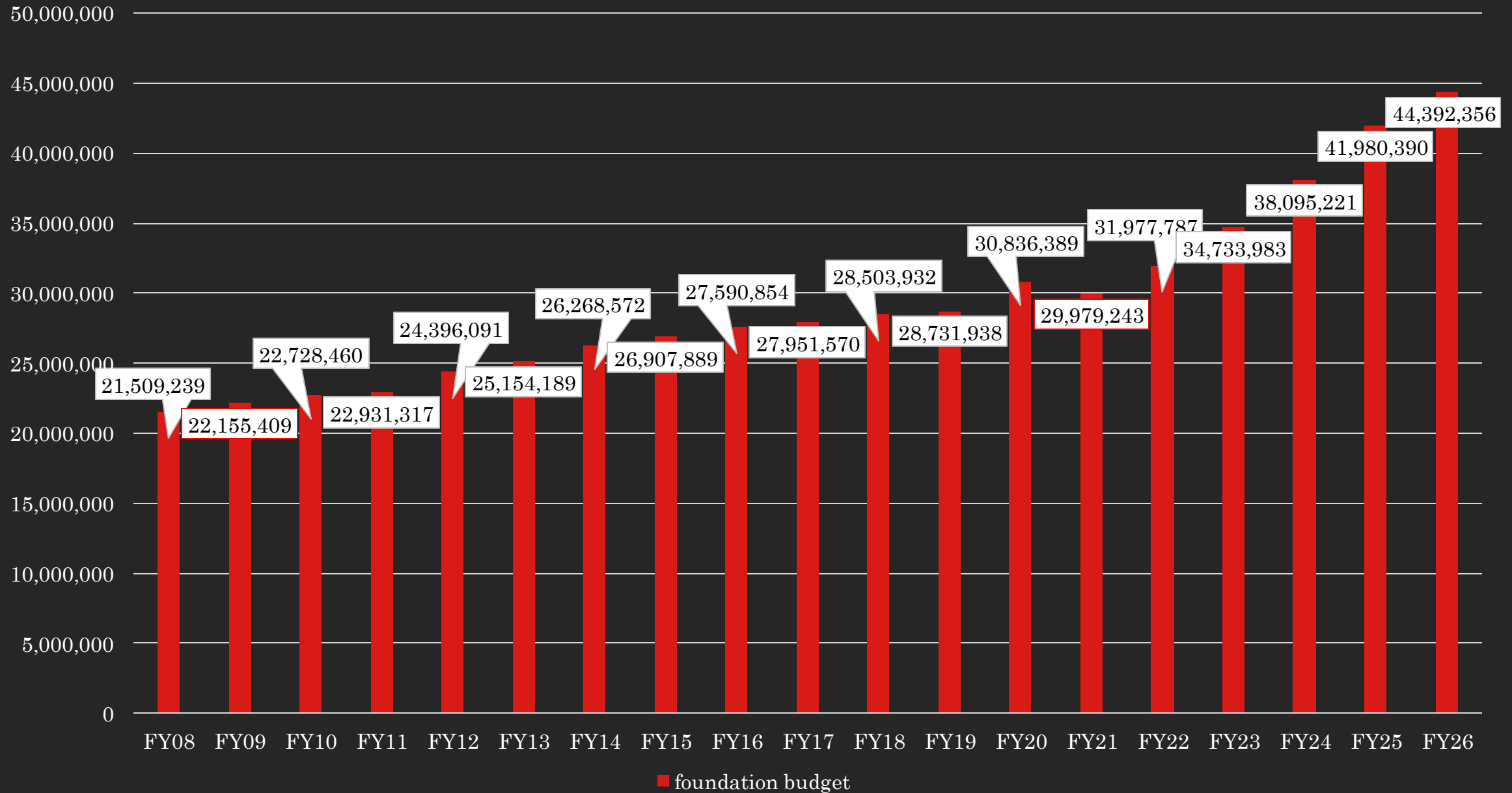
Central Berkshire Regional total enrollment



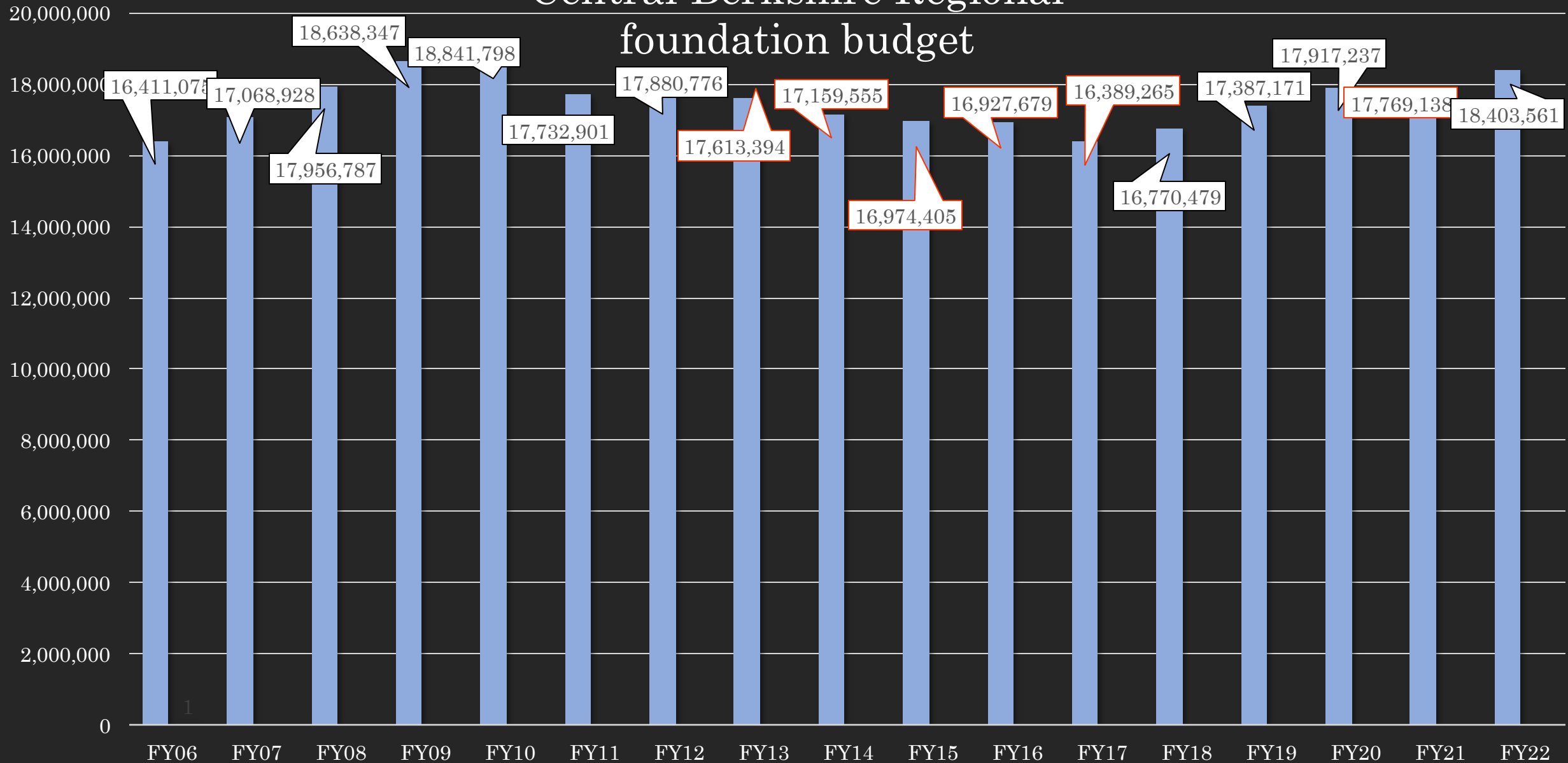
Central Berkshire Regional % selected populations



Southbridge Public Schools foundation budget



Central Berkshire Regional foundation budget

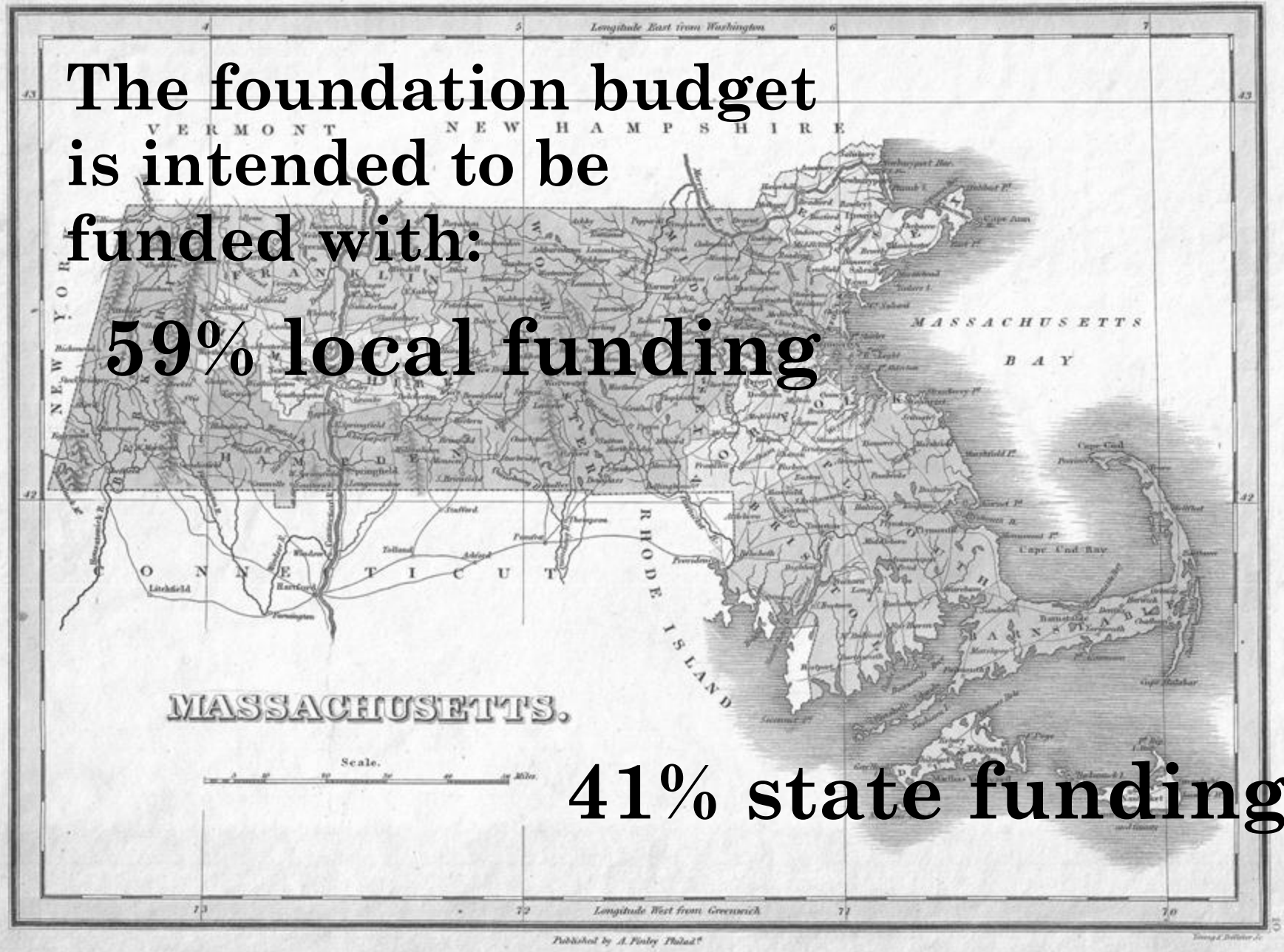


There are two parts to the question:

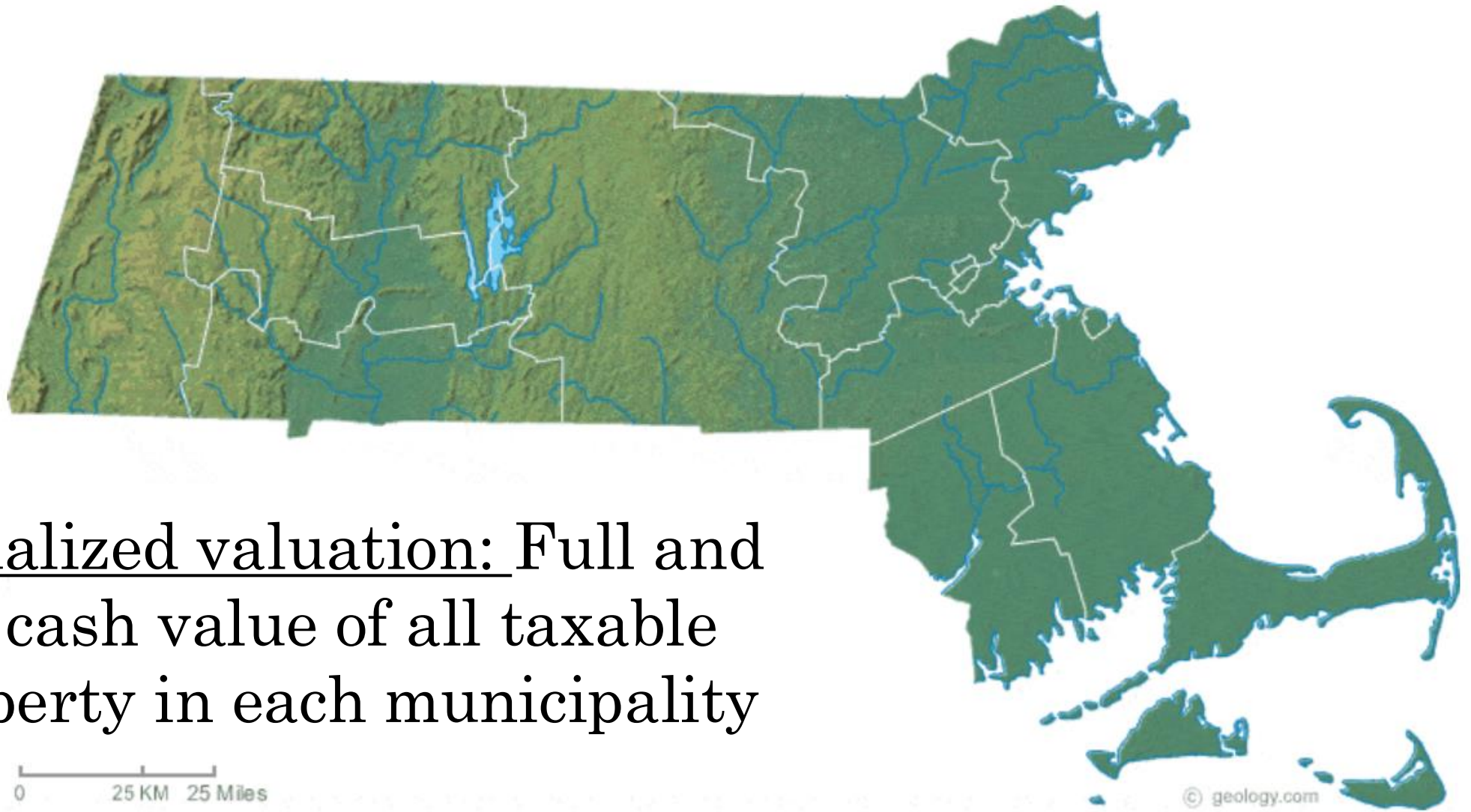
1. How much does it cost?

2. Who is going to pay for it?

**The foundation budget
is intended to be
funded with:
59% local funding**



41% state funding



Equalized valuation: Full and fair cash value of all taxable property in each municipality



Fill out in black ink.
For a faster refund, file your return electronically at mass.gov/dor.
You must also complete and enclose Schedule HC.

Form 1

Massachusetts Department of Revenue

2022

TAXPAYER'S FIRST NAME

M.I. LAST NAME

TAXPAYER'S SOCIAL SECURITY NUMBER

SPOUSE'S FIRST NAME

M.I. LAST NAME

SPOUSE'S SOCIAL SECURITY NUMBER

MAILING ADDRESS (if different from residence address, include box)

STATE

ZIP

FOREIGN PROVINCE/STATE/COUNTRY

FOREIGN COUNTRY (OR COUNTRY CODE)

FOREIGN POSTAL CODE

Fill in if (see instructions):

Amended return

Other jurisdiction change (enter date of change)

Income: Derived annually
from state Department of
Revenue filings

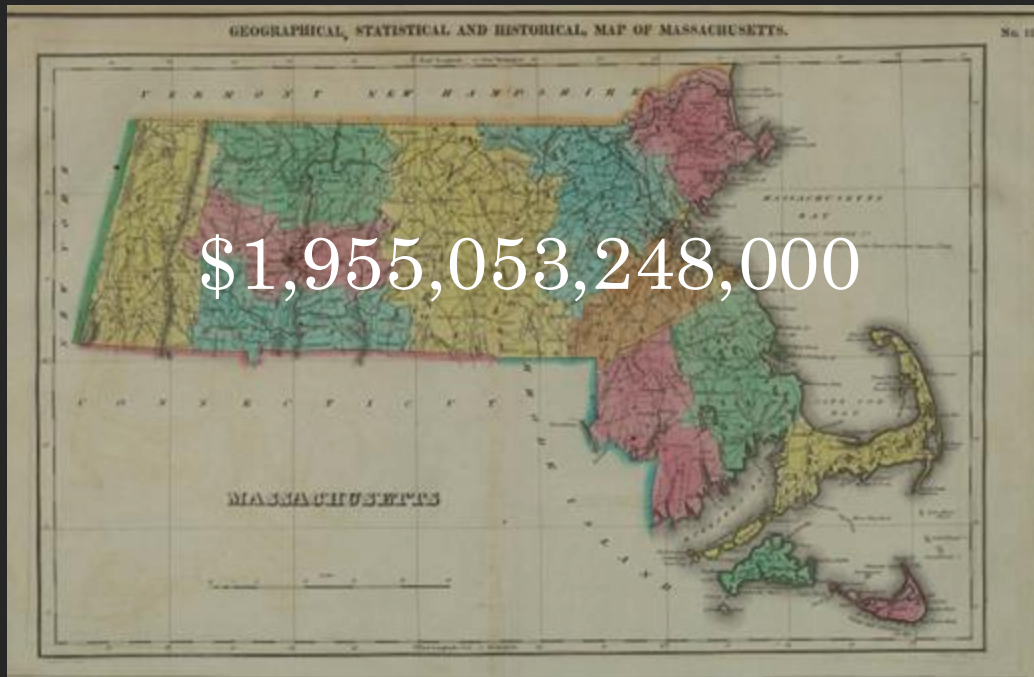
Calculating local share

59% of FY26 foundation budget

= \$9,035,419,408 (Target local share)

Maximum local contribution is 82.5% of foundation

Statewide Combined Effort Yield= \$12,679,424,121



\$1,955,053,248,000

$$\times 0.3243\% = \$6,339,712,058$$

(sum)= Combined Effort Yield
(CEY) **\$12,679,424,121**

Form 1
Massachusetts Department of Revenue
2022

Fill out in black ink.
For a faster refund, file your return electronically at mass.gov/itr.
You must also complete and enclose Schedule HC.

TAXPAYER'S FIRST NAME
TAXPAYER'S LAST NAME
TAXPAYER'S SOCIAL SECURITY NUMBER

TAXPAYER'S FIRST NAME
TAXPAYER'S LAST NAME
TAXPAYER'S SOCIAL SECURITY NUMBER

RESIDENT ADDRESS (Do not include apartment or mobile home numbers. If you have a foreign address, use the format below.)
CITY/TOWN
STATE
ZIP

RESIDENT PROVINCE/COUNTRY
FOREIGN COUNTRY (OR COUNTRY CODE)
FOREIGN POSTAL CODE

\$403,836,493,290

$$\times 1.5699\%$$

$$= \$ 6,339,712,058$$

Southbridge* FY26

Effort Goal

1)2024 equalized valuation	1,766,245,600
2)Uniform property percentage	0.3243%
3)Local effort from property wealth	5,727,459
4)2022 income	446,133,000
5)Uniform income percentage	1.5699%
6)Local effort from income	7,003,713
7)Combined effort yield (3 + 6)	12,731,172
8)FY26 Foundation budget	48,840,346
9)Maximum local contribution (82.5% * 8)	40,293,285
10)Target local contribution (lesser of 7 or 9)	12,731,172
11)Target local share (10 as % of 8)	26.07%
12)Target aid share (100% minus 11)	73.93%



$$\times 0.3906 = \$5,727,459$$



$$\times 1.5699 = \$7,003,713$$

$$\text{Total CEY} = \$12,731,172$$

82.5% of foundation (\$40,293,285) > Combined Effort Yield

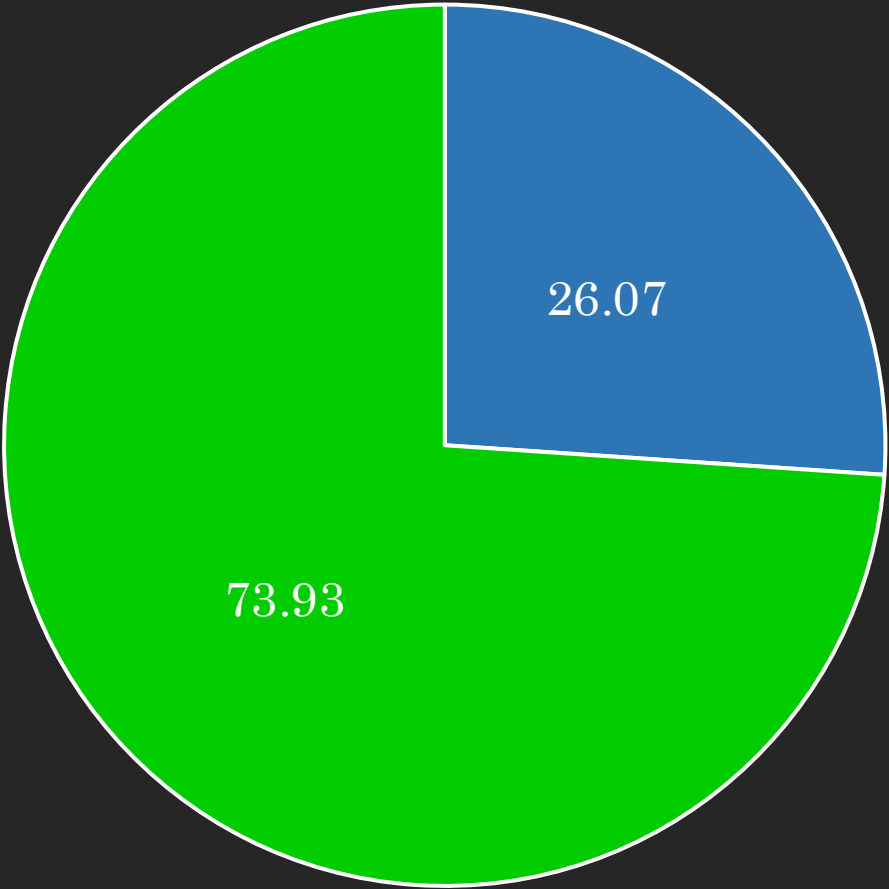


$$= 26.07\%$$

*the town, not the district

Southbridge: FY26

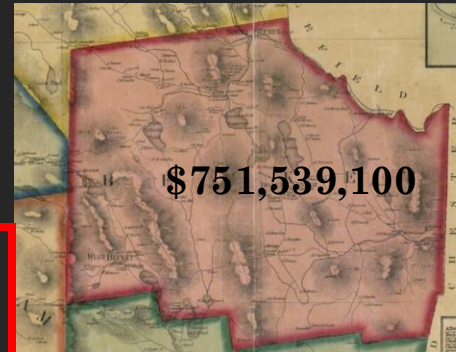
■ target local share (%) ■ target aid share (%)



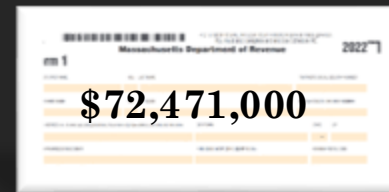
Becket* FY26

Effort Goal

1)2024 equalized valuation	751,539,100
2)Uniform property percentage	0.3243%
3)Local effort from property wealth	2,437,039
4)2022 income	72,471,000
5)Uniform income percentage	1.5699%
6)Local effort from income	1,137,701
7)Combined effort yield (3 + 6)	3,574,740
8)FY26 Foundation budget	3,109,137
9)Maximum local contribution (82.5% * 8)	2,565,038
10)Target local contribution (lesser of 7 or 9)	2,565,038
11)Target local share (10 as % of 8)	82.50%
12)Target aid share (100% minus 11)	17.50%



$$\times 0.3243 = \$2,437,039$$



$$\times 1.5699 = \$1,137,701$$

$$\text{Total CEY} = \$3,574,740$$

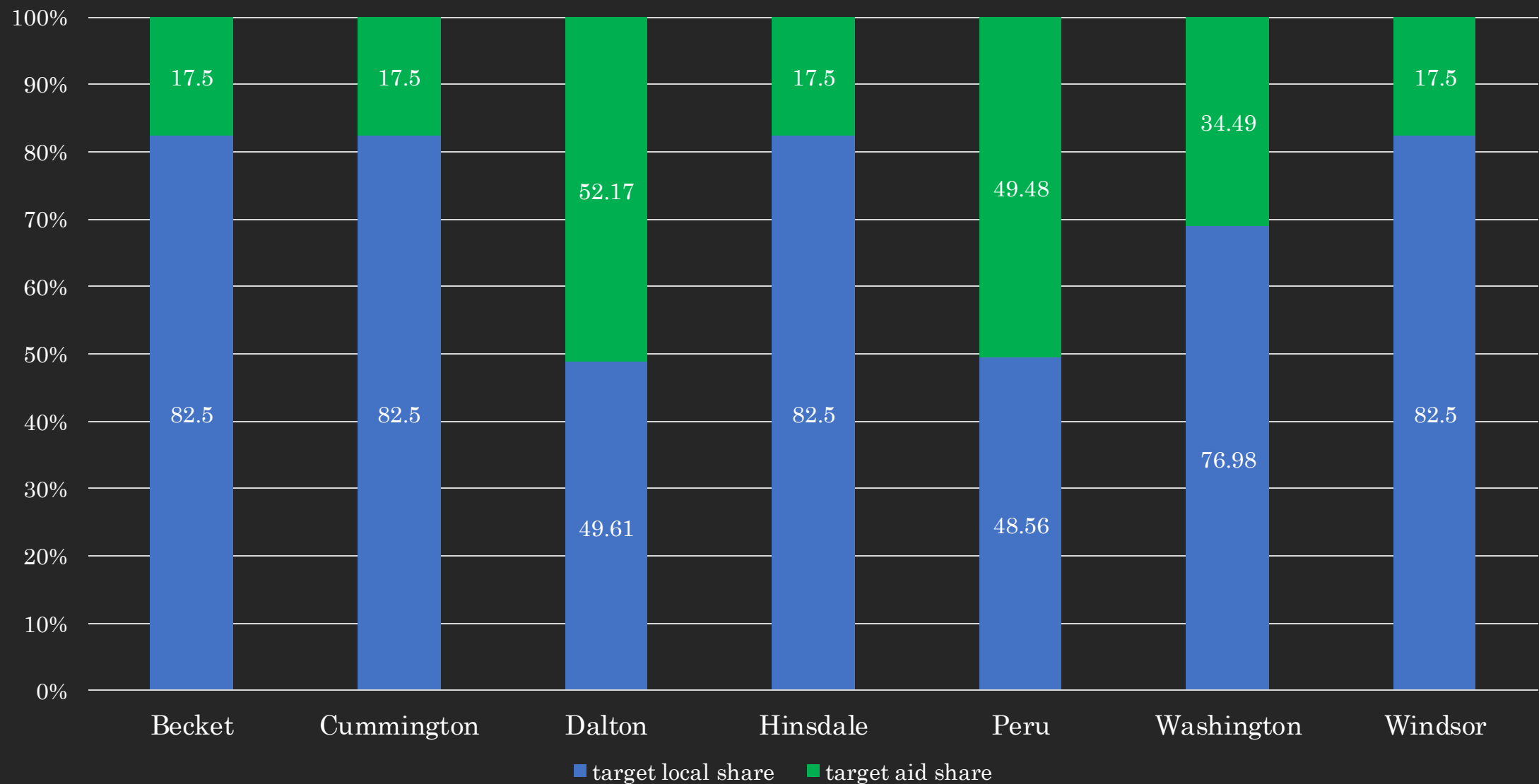
82.5% of foundation (\$2,565,038) < Combined Effort Yield



$$= 82.5\%$$

*the town, not the district

Comparing FY26 target share (%) across Central Berkshire Regional



How much was
Southbridge
required to
contribute to
schools last year?

\$10,677,708



How much did
municipal
revenue in
Southbridge grow
this past year
using the
**Municipal
Revenue Growth
Factor**

3.01%

= preliminary contribution of **\$10,999,107**

Municipal Revenue Growth Factor (MRGF)

Raises or lowers the local contribution from last year's required contribution by the actual changes in:

- State-imposed levy limit of 2.5%
- New growth
- State aid
- Prior year local receipts

Massachusetts Department of Revenue
Division of Local Services
Municipal Revenue Growth Factor (MRGF) Calculation, FY2026
SOUTHBRIDGE

1. LEVY LIMIT BASE					AMOUNT
FY2025 Levy Limit Prior to Exclusions					26,720,006
Impact of FY1994-FY2024 Overrides on FY2025 Limit					
FY2025 Overrides					
FY2025 Limit Adjusted for Overrides					26,720,006
2. INCREASE IN LEVY LIMIT GROWTH DUE TO NEW GROWTH					
Fiscal Year	Levy Limit Without Exclusions, Overrides	CH 653	Certified New Growth	New Growth Adjusted for 653	Percentage of Previous Year's Limit
FY2021	23,419,283		445,037	445,037	1.99%
FY2022	24,761,280		756,515	756,515	3.23%
FY2023	25,787,036		406,724	406,724	1.64%
FY2024	26,720,006		288,294	288,294	1.12%
FY2025	27,598,423		255,789	255,789	0.96%
Average of Last Three Years					1.24%
Lowest Three of Last Four Years					1.24%
Maximum, Last Three Years					1.64%
Average of Two Smaller Years					1.04%
Difference, Maximum Minus 2 Yr Average					0.60%
Percent Increase in New Growth for MRGF					1.24%
*Adopted CH 653					

3. CHANGE IN REVENUE SHARING			Fiscal Year 2025 Cherry Sheet	Fiscal Year 2026 Estimates
Unrestricted General Government Aid			4,331,911	4,427,213
State Owned Land			6,993	7,128
TOTAL			4,338,904	4,434,341
4. RECURRING LOCAL RECEIPTS			FY2024 Budget	FY2025 Budget
Motor Vehicle Excise			1,650,000	1,652,610
Other Excise			505,000	547,000
Penalties and Interest			230,000	250,000
Payments in Lieu			95,571	90,000
Fines and Forfeits			95,000	85,000
Investment Income			200,000	200,000
Medicaid & Miscellaneous Recurring			675,241	570,000
TOTAL			3,450,812	3,394,610
5. SUMMARY			Amount	Pct Chg
FY2025 MRGF Levy Limit			26,720,006	
FY2025 General Revenue Sharing			4,338,904	
FY2024 Budgeted Recurring Local Receipts			3,450,812	
Total Base Municipal Revenues			34,509,722	
FY2026 Estimated Levy Ceiling			46,709,095	
FY2025 Levy Limit * 1.025			27,388,006	
FY2026 Estimated New Growth			331,328	
FY2026 Estimated Levy Limit			27,719,334	3.74
FY2026 General Revenue Sharing			4,434,341	2.20
FY2025 Budgeted Recurring Local Receipts			3,394,610	-1.63
Total Estimated Current Municipal Revenues			35,548,285	
Change, Base to Current Revenues			1,038,563	3.01
FY2026 Municipal Revenue Growth Factor				3.01

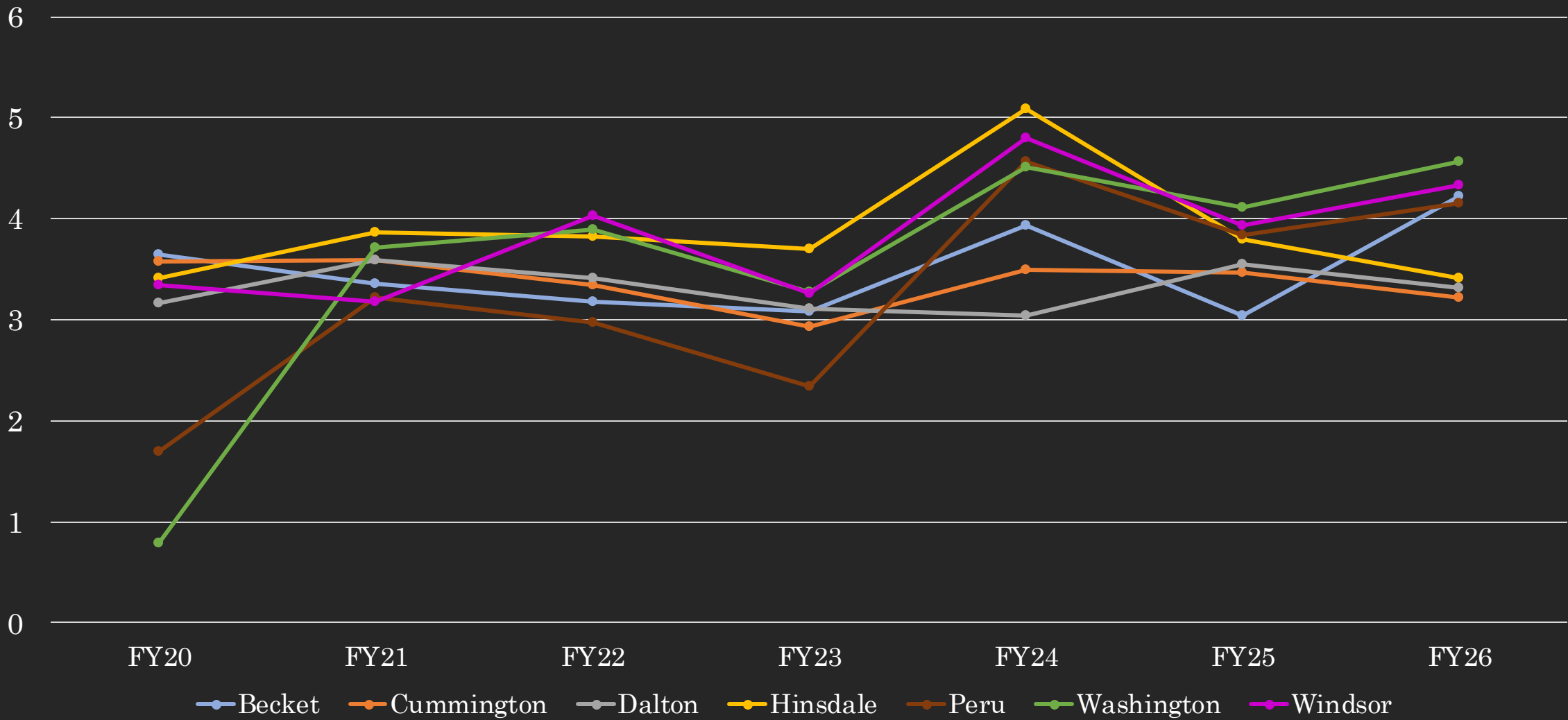
Municipal revenue growth factor

Southbridge: FY20-FY26 (%)



Department of Revenue, Division of Local Services, Municipal Revenue Growth Factor report: FY20, FY21, FY22, FY23, FY24, FY25, FY26

Municipal revenue growth factor: Central Berkshire Regional towns FY20-FY26 (%)



How close to your target is that contribution?



If ABOVE target share: 100%* reduction towards the target

If BELOW target share: An additional 1% if the shortfall is between 2.5% and 7.5%;

Or an additional 2% if the shortfall is greater than 7.5%. These additional amounts are based on the FY26 required local contribution amounts.

** The amount of effort reduction is subject to annual appropriation of the legislature*

Southbridge FY26

Effort Goal

1)2024 equalized valuation	1,766,245,600
2)Uniform property percentage	0.3243%
3)Local effort from property wealth	5,727,459
4)2021 income	446,240,346
5)Uniform income percentage	0.3243%
6)Local effort from income	146,912,122
7)Combined effort yield as % of foundation	22.52%
8)FY25 required local contribution (15 / 8)	10,677,708
9)FY25 required local contribution as % of foundation	3.01%
10)Target share (100% minus 9)	96.99%
11)FY25 required local contribution (15 x 100%)	10,999,107
12)FY25 required local contribution as % of foundation	22.52%

FY26 Increments Toward Goal

13)FY25 required local contribution (15 / 8)	10,677,708
14)FY25 required local contribution as % of foundation	3.01%
15)FY25 required local contribution (15 / 8)	10,999,107
16)FY25 required local contribution as % of foundation	22.52%

Target share:

17)FY25 required local contribution (15 / 8)	10,677,708
18)FY25 required local contribution as % of foundation	3.01%
19)FY25 required local contribution (15 / 8)	10,999,107
20)Contribution as percentage of foundation (19 / 8)	22.52%

If preliminary contribution is below the target share:

21)Shortfall from target local share (10 - 15)	1,732,065
22)Shortfall percentage (11 - 16)	3.55%
23)Added increment toward target (13 x 1% or 2%)*	106,777
*1% if shortfall is between 2.5% and 7.5%; 2% if shortfall > 7.5%	
24)Special increment toward 82.5% target**	0
**if combined effort yield > 175% foundation	
Combined effort yield as % of foundation	
25)Shortfall from target after adding increments (10 - 15 - 23 - 24)	1,625,288
26)FY25 required local contribution (15 + 23 + 24)	11,105,884
27)Contribution as percentage of foundation (26 / 8)	22.74%

“standard of local funding effort applicable to every city and town in the commonwealth”

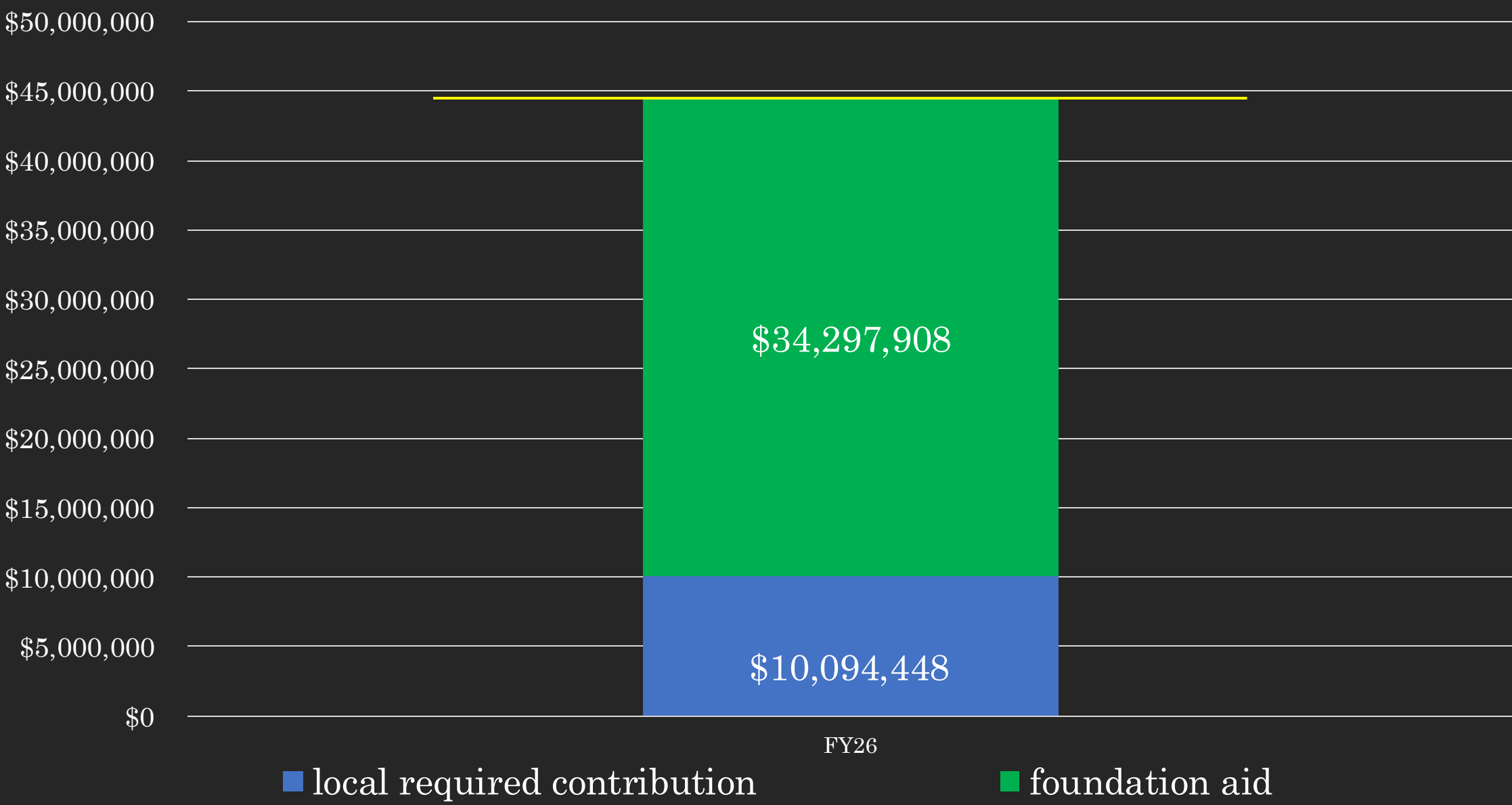
Putting it together:



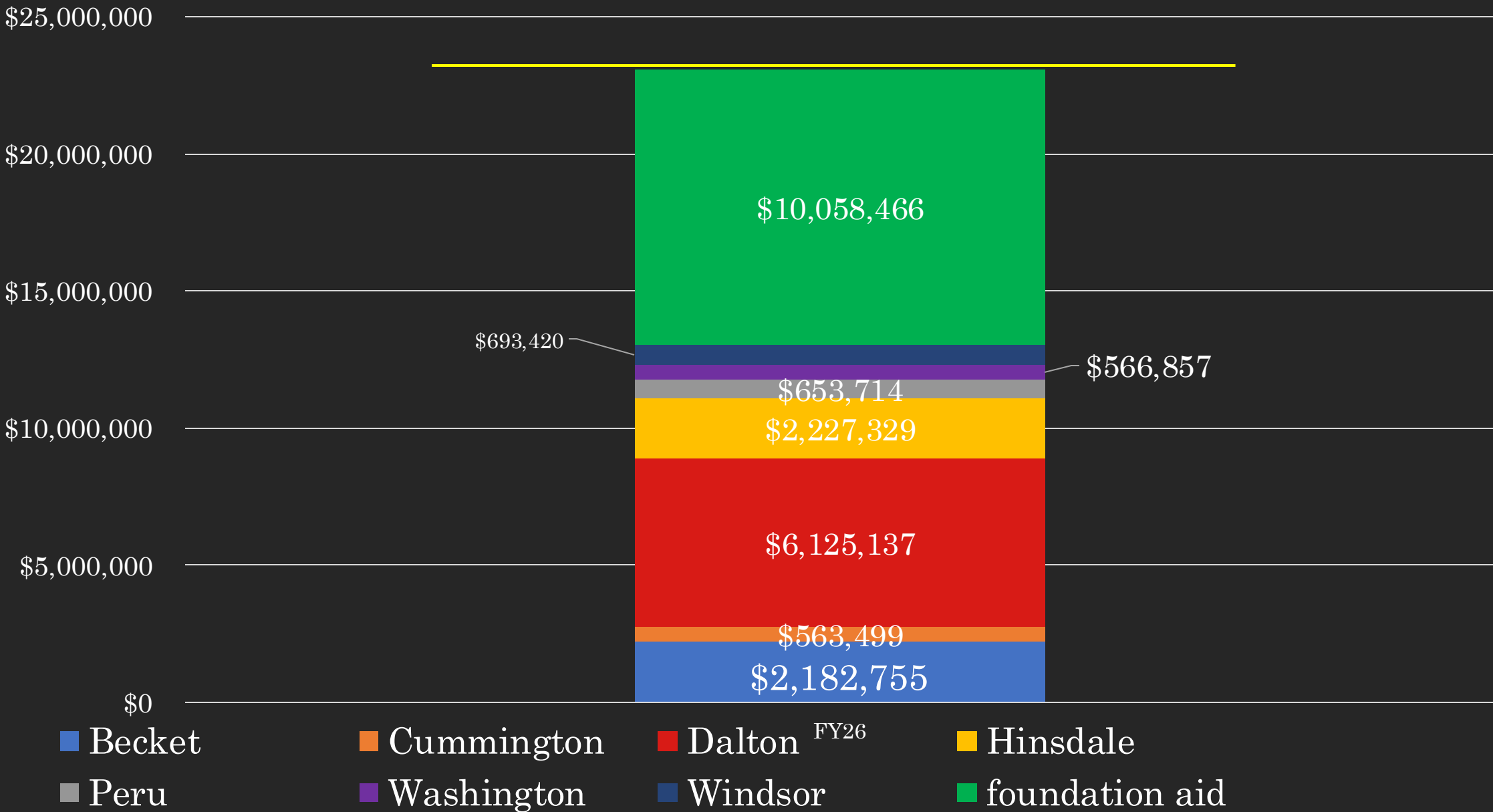
Chapter 70 aid

Required local contribution

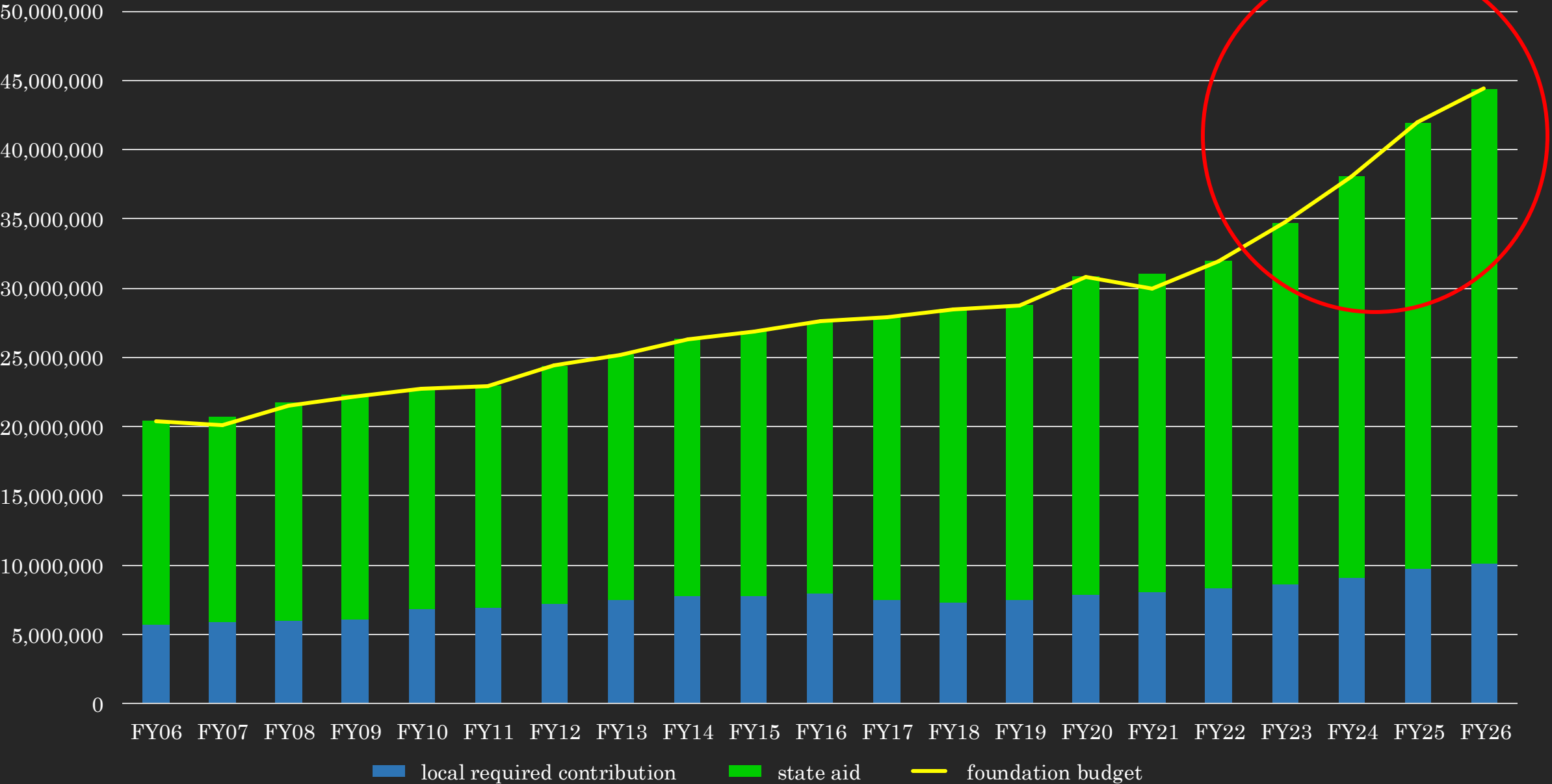
And so for FY26 for Southbridge



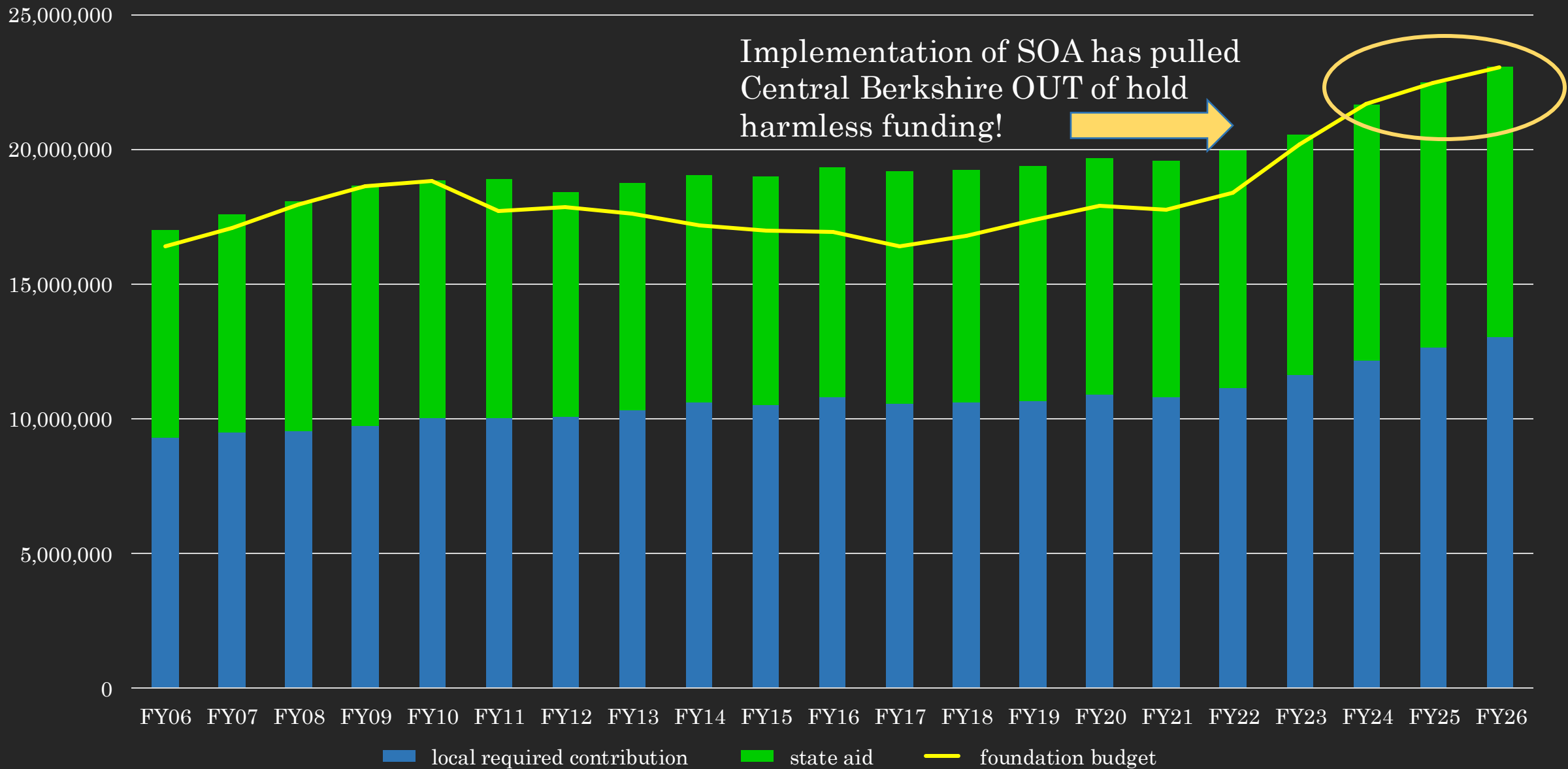
And so for FY26 for Central Berkshire Regional (to net minimum)



Southbridge: Student Opportunity Act implementation



Central Berkshire Regional: Hold harmless and SOA



FY24 Southbridge

\$60,000,000

\$50,000,000

\$40,000,000

\$30,000,000

\$20,000,000

\$10,000,000

\$-

\$876,444

\$38,095,221

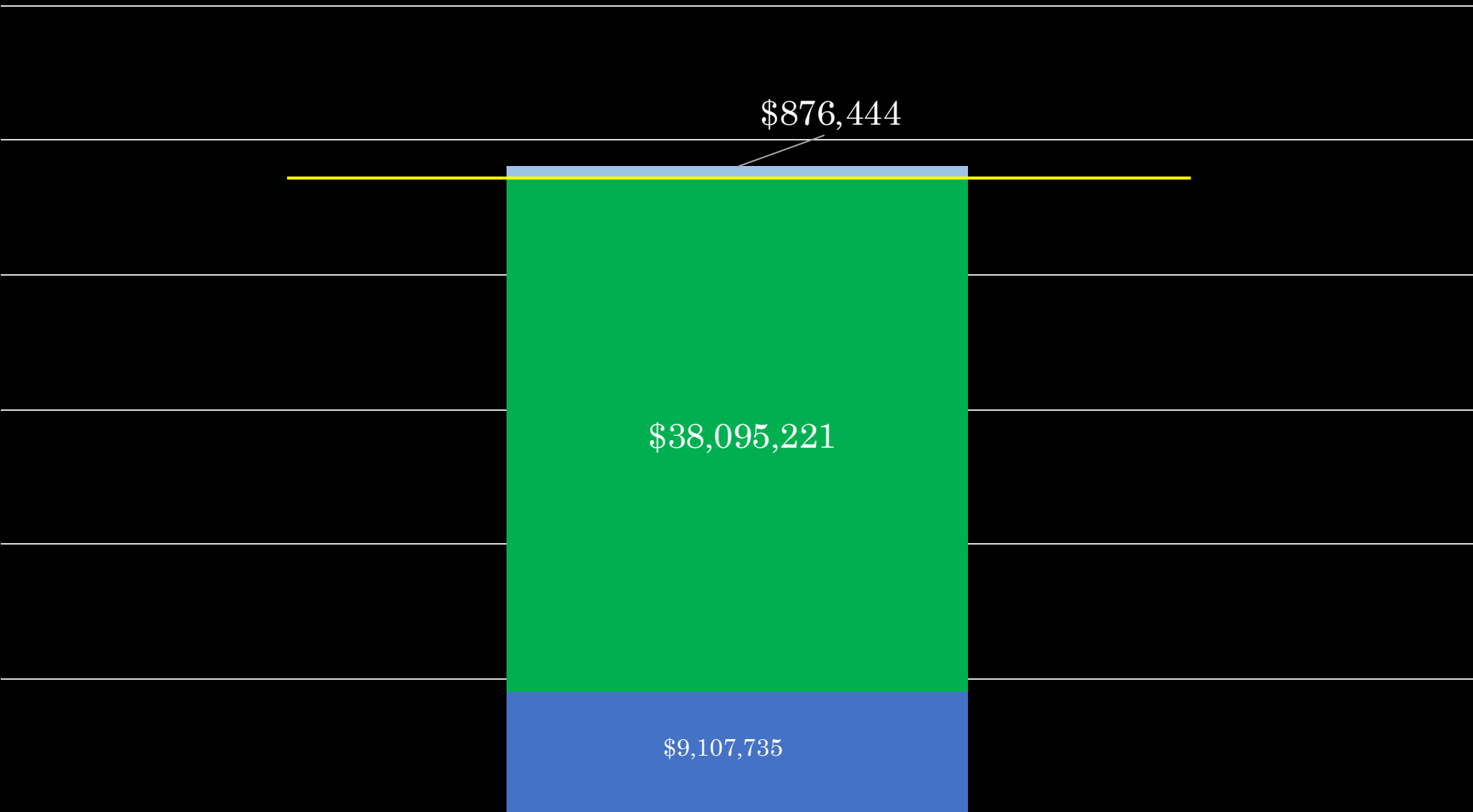
\$9,107,735

FY24

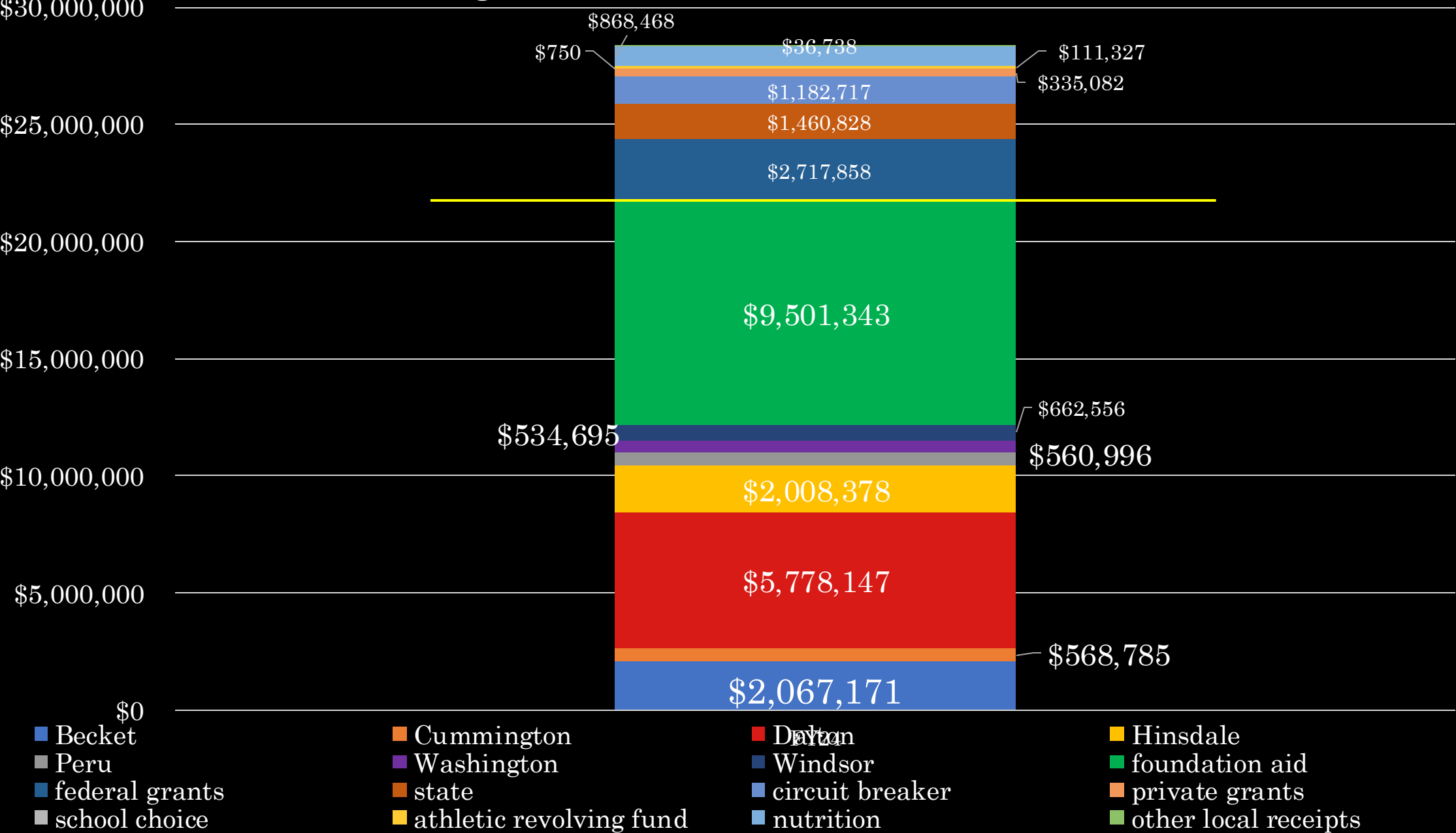
■ Southbridge

■ foundation aid

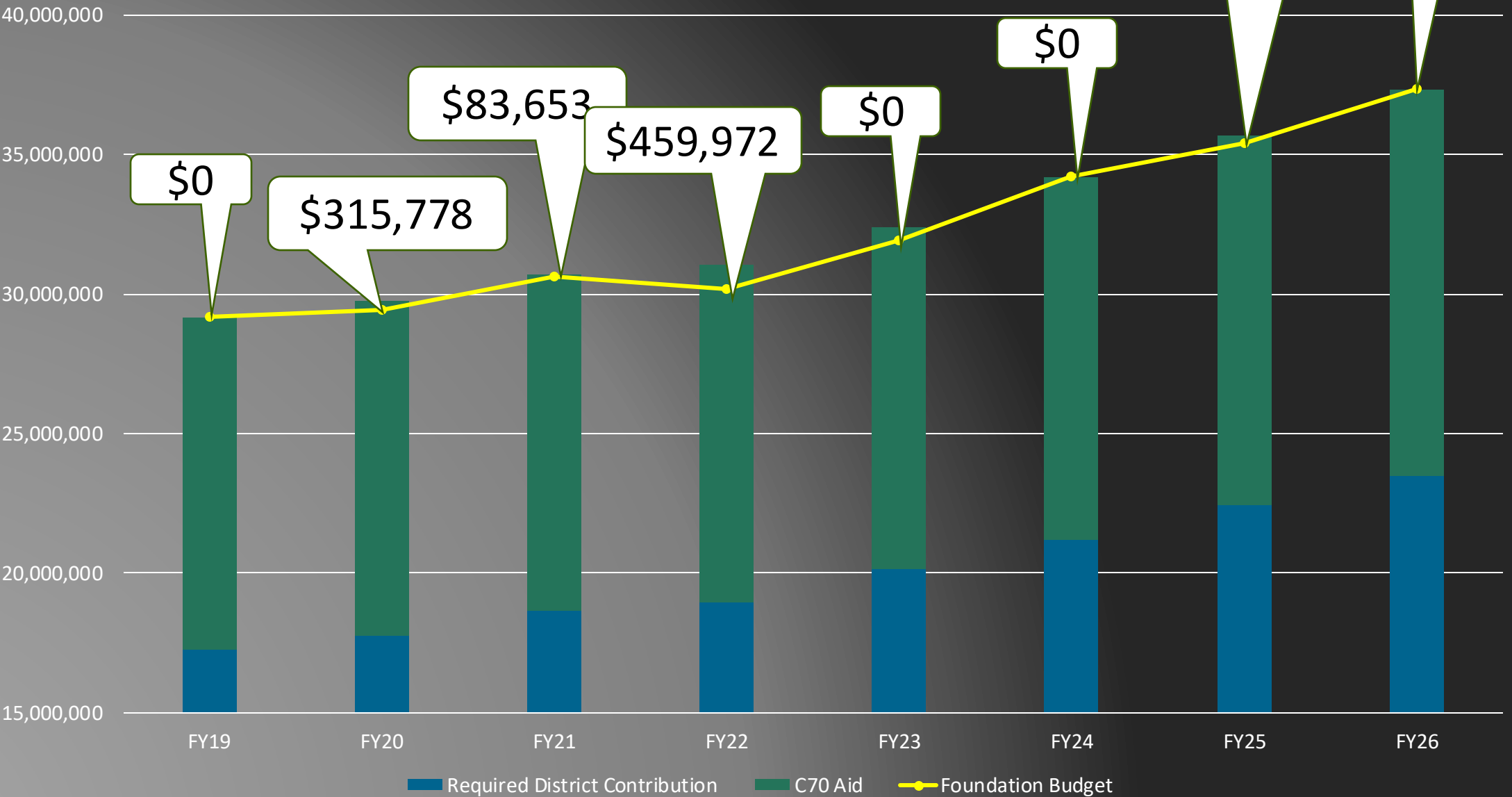
■ additional local



FY24 Central Berkshire Regional

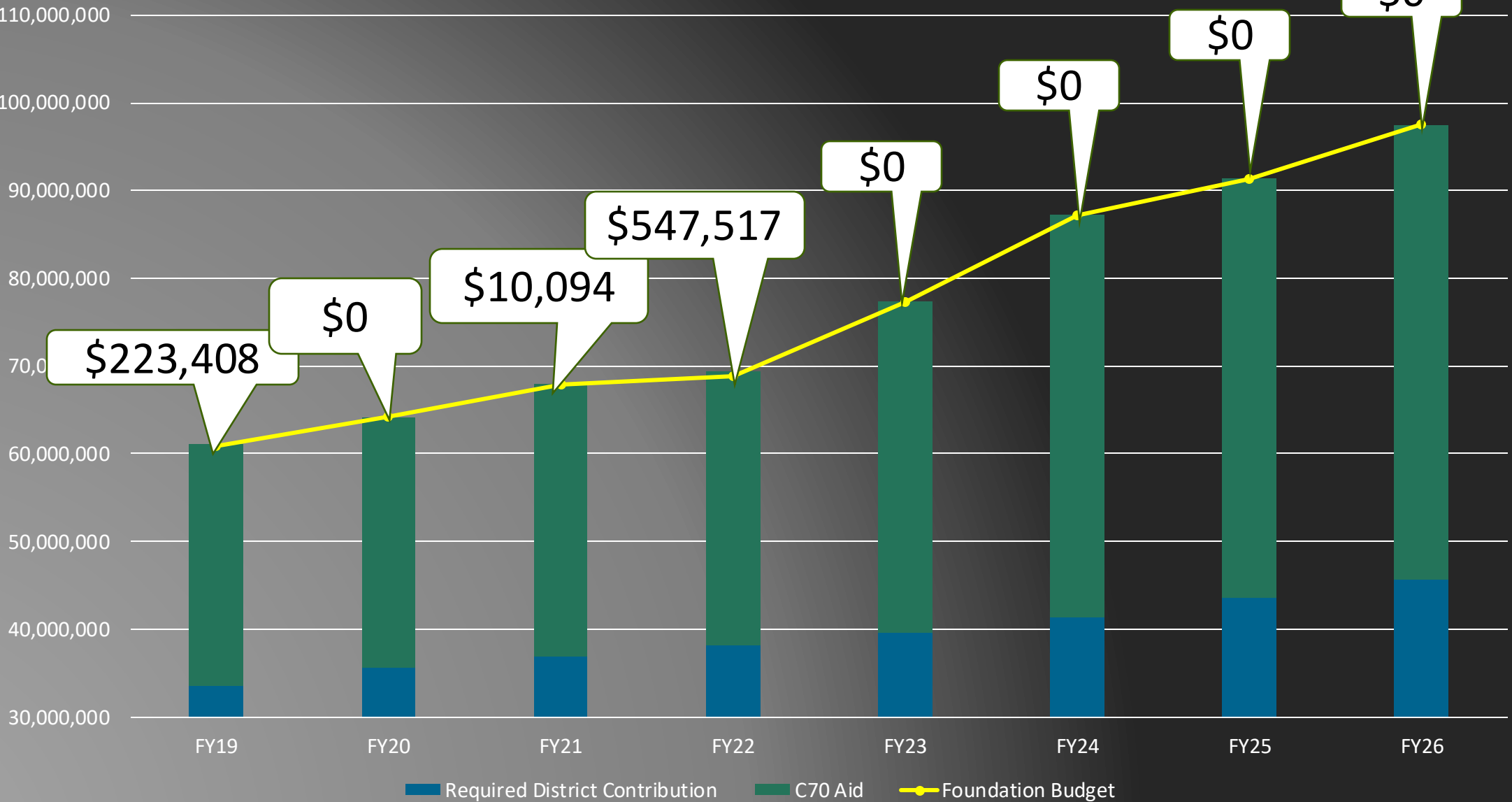


Hudson and the SOA: amount of hold harmless and minimum aid
(\$0 indicates the district is in foundation aid, and thus getting more meaningful increases)



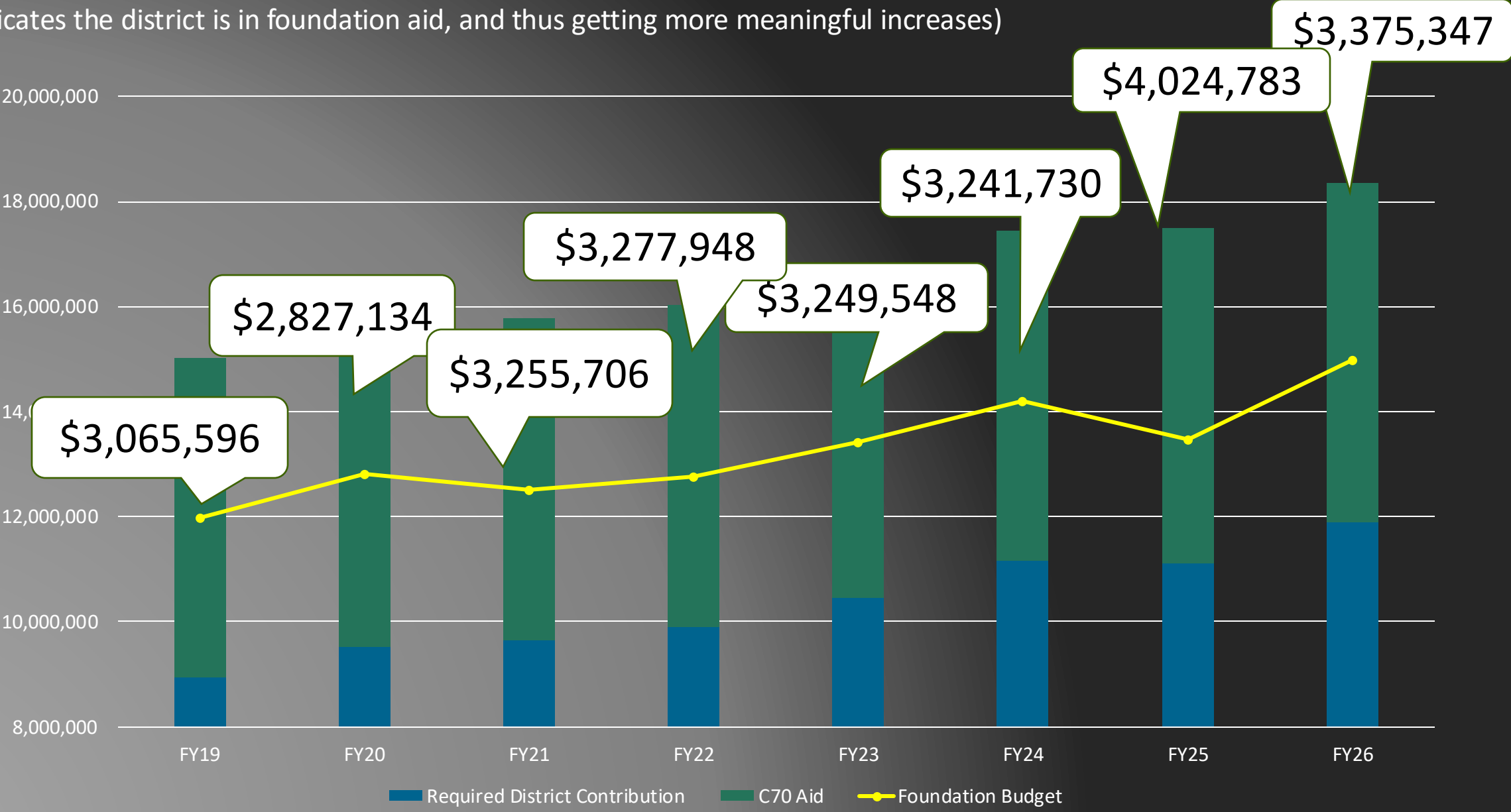
Note: FY26 uses the \$75 minimum per pupil increase of House 1

Marlborough and the SOA: amount of hold harmless and minimum aid
(\$0 indicates the district is in foundation aid, and thus getting more meaningful increases)



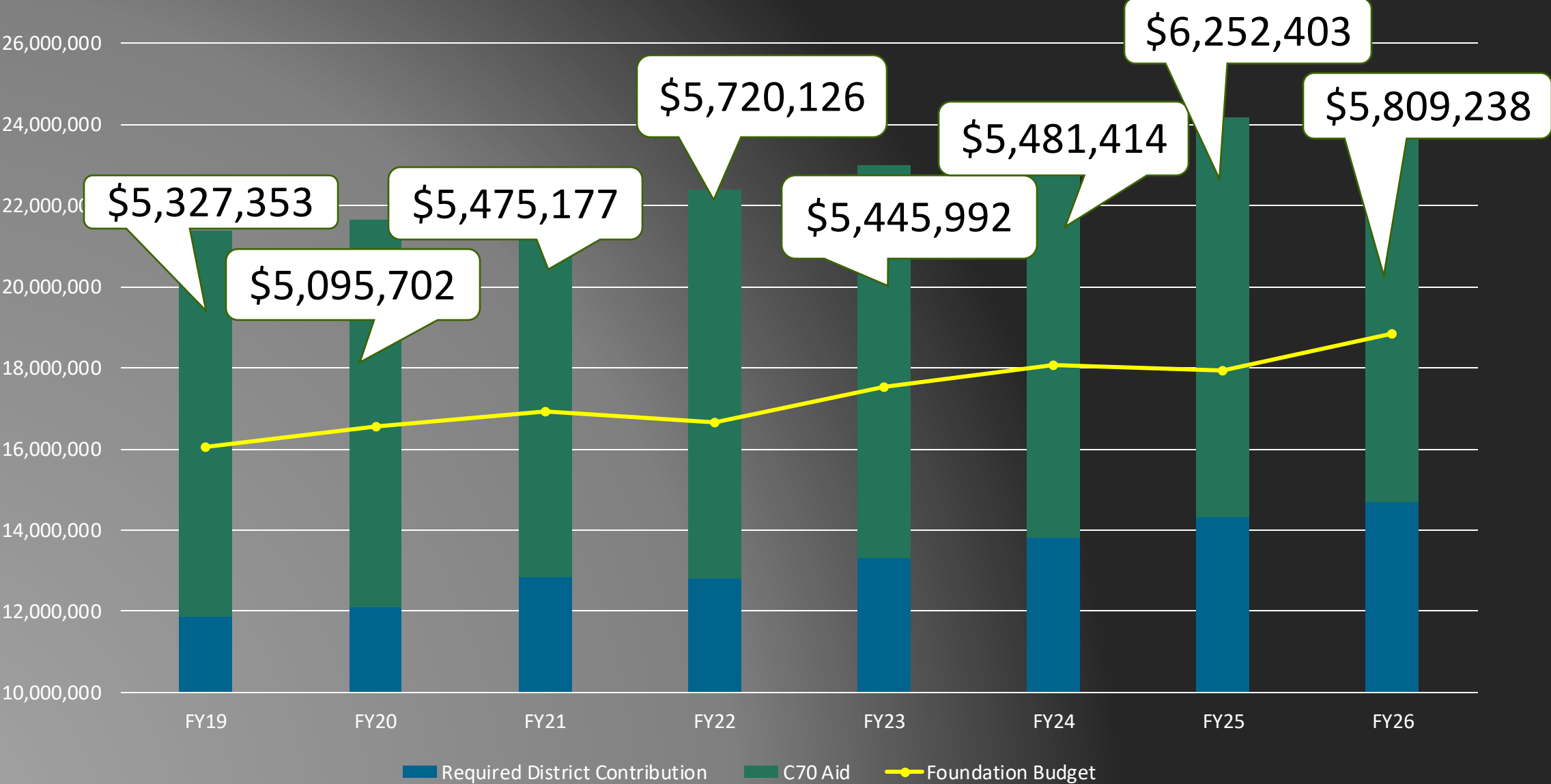
Note: FY26 uses the \$75 minimum per pupil increase of House 1

Amherst and the SOA: amount of hold harmless and minimum aid
(\$0 indicates the district is in foundation aid, and thus getting more meaningful increases)



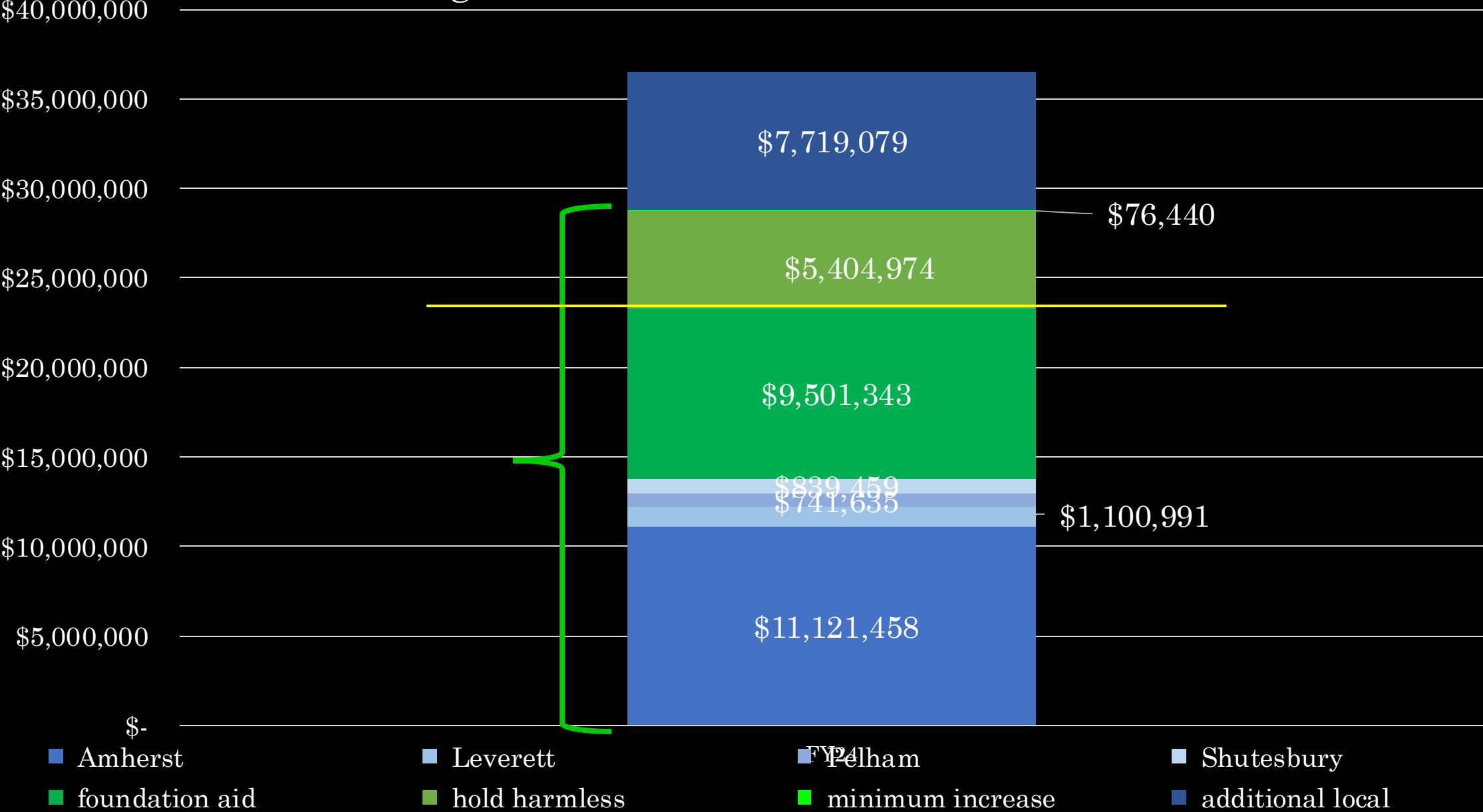
Note: FY26 uses the \$75 minimum per pupil increase of House 1


Amherst Pelham Regional and the SOA: amount of hold harmless and minimum aid (\$0 indicates the district is in foundation aid, and thus getting more meaningful increases)



Note: FY26 uses the \$75 minimum per pupil increase of House 1

FY24 Amherst-Pelham Regional





70
(minutes)
on
(chapter)
70

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