Narrative for Education Funding 101 Slide Show. Brief commentary meant to accompany the slides prepared by Jesus Leyva

Page 1 Skip – Start on page 2: Introduction This information was provided by • The Department of Elementary and Secondary Education • The State Auditor’s office • The City of Greenfield and Superintendent Christine DeBarge • Adam Jones from Mass Budget and Policy Center • Noah Berger from The Massachusetts Teacher Association • The Massachusetts Association of School Committees Thank you to Dave Jackson for his math work on the slides. And a special thanks to Keat Teoh for his editing and graphics design on the visuals of this presentation.

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Page 4: The Majority of local school funding comes from 2 sources: • Local property taxes • and State school aid State school aid is governed by Massachusetts general law (MGL) Chapter 70 and throughout this presentation “Chapter 70” will be used as shorthand for the money that comes from the state to directly fund our local schools. The following pages are a simplified explanation of the State Foundation Education Budget –

Page 5: The State Foundation Budget is a per pupil spending amount that represents the minimum spending level needed to provide an adequate education to students. Student enrollment numbers is the other major factor for a city’s foundation budget. These standards were decided by the state legislature with the passage of the 1993 Education Reform Act.

Page 6: The State assumes that local contributions (property taxes) should cover 59 percent of the foundation budget, with state aid (Chapter 70 funding) covering the remaining 41 percent.

Page 7: The percentage the state contributes is directly relative to the income levels of that community’s residents.

 Page 8: The State provides a minimum of 17.5 percent of a city’s Foundation Budget through state aid, even to the wealthiest communities. For a more detailed explanation of the State’s Foundation Education Budget the is a link on the FCCPR website to the Department of Elementary and Secondary Education’s 18 page outline of the details.

 Page 9: This next few slides are from a 2019 presentation by the Mass Budget and Policy Center called “Education Funding 2019: Where We Stand”. We linked the full presentation on the FCCPR website. As you can see from this page, funding from the state increased in the 90’s to meet the promise of the 1993 education reform act, but then remained flat for the next 2 decades after you adjust that funding for inflation.

Page 10: This next page is the specific chapter 70 dollar amounts for each year adjusted for inflation and not adjusted for inflation. The numbers are not important for you to remember, but are available for people who want to see the specific dollar amounts here that were used for the previous line graph.

Page 11: As you can see from this next page the foundational budget is substantially less than what communities actually spend on education. On average every year for the last 14 Greenfield has spend 20% over the dollar requirement of our local tax contribution.

Page 12: The reason Greenfield and other communities spend more is because the State Foundation Budget under counts critical costs associated with education spending by $2.63 Billion according to the Mass budget and policy center. This was more or less confirmed by a state Foundation Budget Review Commission in a report 4 years earlier. As you can see from the slide these costs are - • Health Insurance & Other Benefits (1.44 billion) • Teachers for In District Special Education (1 billion) • Out of District Special Education Costs (160 million)

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Page 14: Let’s look at those 3 categories of school spending highlighted by Mass Budget, but we will look at them for Greenfield specifically. The following 3 pages come from a 2018 presentation to the Greenfield School Committee by Tracy O’Connell Novick from the Massachusetts Association of School Committees.

Page 15: This is the same idea but for In-District Special Education costs.

Page 16: Again, same issue, the State’s assumption is much lower than actual spending for Out of District Special Education Expenses. A link to the full MASC presentation can be found on the FCCPR webpage.

Page 17: In addition to state funding challenges relating to inflation, under calculated costs and the need for more progressive taxation, Greenfield is uniquely impacted by unfunded federal and state mandates.

Page 18: Per capita Greenfield paid 4 times more than Brockton and 12 times more than Boston. A comparison here is laid out between these cities for their city budgets, population and median income. Former Greenfield Mayor William Martin petitioned the State for $700,000 in these unreimbursed expenses in 2018. The State Auditor’s Office recommended the State assume responsibility for these costs.

Page 19: To illustrate how much money the city overpays to make up for those costs that are undercalculated by the state we are going to look at a chart of our total school spending for the year of 2008- 2022. My friend, Dave Jackson took the information from this page and used it to prepare a bar graph on the next page to illustrate in a dollar amount each year the costs that have been shifted onto the city by the state. We took the state’s contribution to our foundation budget as a percentage and applied it to our actual spending instead.

Page 20: The blue bars are what the state contributed in chapter 70 funding in million in each of these years. The orange bars are what the state would have contributed if all real costs were calculated in the foundation budget. The numbers in the green circles above the bars for each year is the difference in millions between what the state contributed and what they should have contributed. Over this 14 year period this represents a total of $36 million dollars.

Page 21: With this next page we wanted to highlight on this page one specific spending fact. A jump of over $1 million dollars in the school employee health insurance costs between FY 2017 and FY 2018. The state’s chapter 70 contribution to Greenfield for that year was less than $60,000. The following year our city would partially defund the local health and building department to put additional funding towards the school budget.

Page 22: But I want to be clear talking about these funding issues is not a hypothetical exercise. As you can see on the next page, where the spending chart goes back to the 90’s, the state did in fact use to have a foundation budget for our district that closely resembled actual spending.

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Page 24: In 2019 the state legislature would pass the Student opportunity Act (or SOA for short) which pledged an investment in new direct funding to public schools by $1.5 billion annually in Chapter 70 funding when fully phased in over the next seven years. This legislation also adjusts funding formulas to consider health care costs for employees and increases special education funding providing additional indirect funding adjustments.

Page 25: This fact sheet from the group FUND OUR FUTURE provides a breakdown of some of the highlights of the Student Opportunity Act.

Page 26: A quick side by side comparison of the 2.63 billion in under calculated costs according to Mass Budget compared to the 1.5 to 2 billion dollars pledged by the Student Opportunities Act shows how far we still have to go even if the funding from this act is fully phased in over the next 3 years.

Page 27: Some inflation issues are also not addressed by the Student opportunity act.

Page 28: This message from the Massachusetts Teachers Association budget priorities for FY2023 should explain the impact of not increasing the inflation cap (READ MTA MESSAGE). You Can find their full message on their website.

Page 29: Many of you probably voted for the FAIR SHARE AMENDMENT. (READ FAIR SHARE AMENDMENT SUMMARY). This ballot question was narrowly passed by voters 51% to 49%, so we are the majority, but we are a narrow majority. We need to keep reminding our legislators, local officials and neighbors to keep pushing for allocating this money to chapter 70 funding.

Page 30: The State also had a budget surplus of 3.6 billion. Mass General Law Chapter 62 section F, required $2.9 billion to be returned to taxpayers.

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Page 32: So where do we go from here? Education, outreach, information sharing, contacting city and state officials. Sign up for updates from advocacy organizations. Join organized efforts to support education funding legislation. These pages contain a link to the Franklin County Continuing the Political Revolution Webpage. Here you can find information from this presentation to view or share it.

Page 33: The following page are specific education priorities and state legislation being sponsored that needs loud voices to make sure the State hears us. Most of our local legislators are already in support of or sponsoring legislation, but it is important to reach out to them and let them know their efforts are supported by their district. I want to highlight the proposed Senate Bill SD 987 which seeks to shift the funding burden from communities to the state by changing the local contribution from 59% to 54% over a 5 year period.

Page 34: One of our hopes from this meeting is the formation of a regional advocacy group for Western Mass education advocates to meet annually after the Governor’s budget message in March but before the budget is finalized in June.

Page 35: Another idea is to ask our local legislators to make a one time single year request of additional chapter 70 funding to low income Commonwealth school districts to bridge the gap between 20 years of undercalculated and underfunded costs and the implementation of the Student Opportunities Act.

Page 36: The governor’s budget message on school funding for this year is hopeful. She is supporting the continued implementation of the Student opportunity act. You can read the governor’s full budget message in the link. We still need to advocate to make sure that the foundation budget formula accounts for increasing costs not just for this year but for the years going forward.

Page 37: Thank you all for your time and patience. We are going to break into small groups of 4 for 15 minutes to talk about some of this information and to think of some questions. The rest of the forum is dedicated to you and answering questions you might have about this presentation or about local school funding. We have asked a panel of state officials, city administrators, educators and education advocates to be here to answer your questions. We are leaving the link to the website up at the end of this presentation for people who want to view this presentation or connect with FCCPR about this forum.