

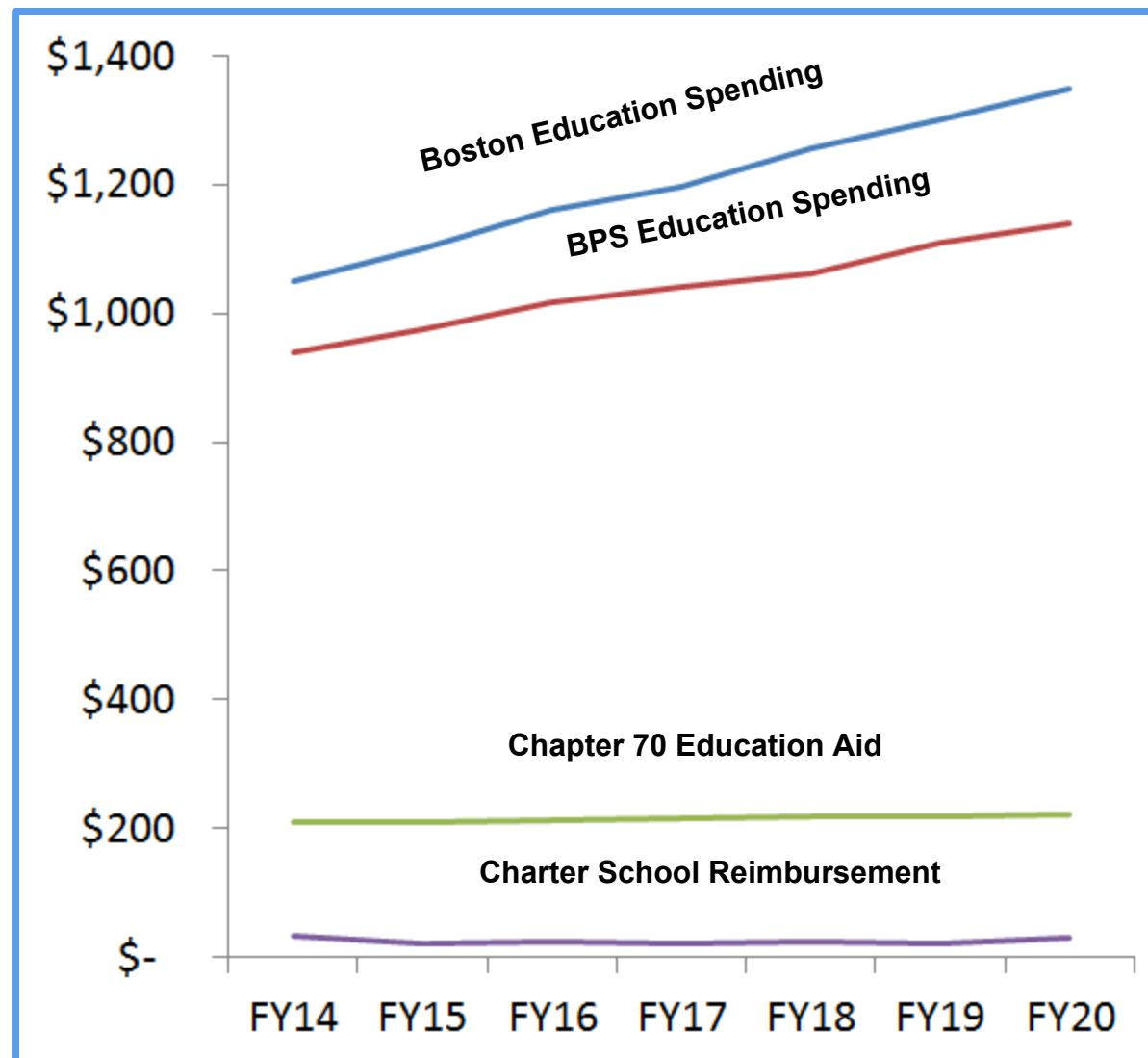
State Education Finance Reform

March 20, 2019



Boston's Revenue to Support Public Education

- Since FY14, the City has increased General Fund spending on Public Education (BPS and Charters) by over **\$300M** on an annual basis.
- Of that \$300M, \$10M or 3% of that came from State Education Aid (Chapter 70 of Charter Reimbursement) and **97% came** from the City's General Fund
- The City has missed out on over **\$120M** in unfunded Charter Reimbursement during that same time period.





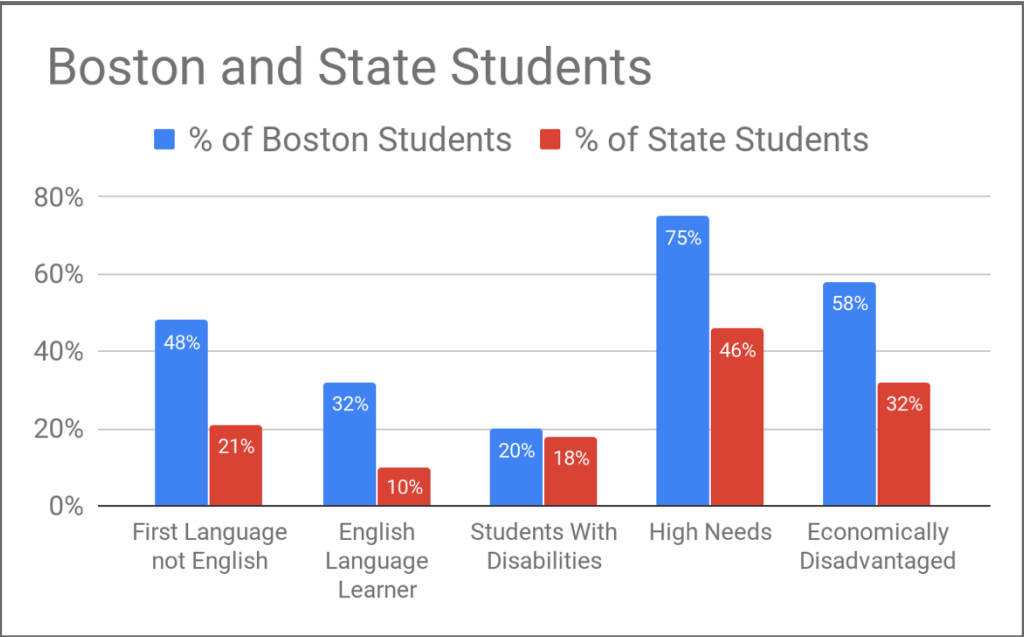
Foundation Budget Review Commission and Boston

Foundation Budget Review Commission

- October 2015- FBRC released recommendations
- K-12 Education underfunded statewide by \$1-\$2 Billion
- July 2018- House and Senate pass versions of FBRC
- January 2019- Governors Proposes version of FBRC Bill
- Standalone FBRC Bills would not benefit Boston

Why districts like Boston need to be included

- Resources are needed to close persistent achievement gaps and provide a 21st century learning environment to all students.



Boston and Education Finance Reform

- Foundation Budget Review recommendations are not enough for Boston and many other communities.
- In order to benefit, fundamental fixes to the underlying formula need to be addressed.
 - **FBRC benefits alone will not result in additional Chapter 70 aid for Boston and other communities.**
 - **Charter Tuition will increase faster under the FBRC recommendations**
 - **Tenuous current trajectory is unsustainable for the long term.**
- Finding a solution that works for Boston, and all districts.

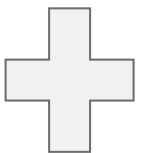
FBRC & Guaranteed Minimum Funding

Implement the FBRC recommendations fully and restore the State-Local Partnership through guaranteed minimum levels of State funding

- Proposal combines support for updating the FBRC with a guaranteed, minimum amount of State education aid to district schools.
- **Implement the FBRC recommendations** within the existing Chapter 70 framework, including rates, components and enrollment.
- **Guarantee a new floor of state funding** for districts after accounting for charter costs.

How the proposal works

Phase-in FBRC Recommendations
Update Rates, Foundation Budgets and Chapter 70



Phase-in Guaranteed Floor
Implement a new Chapter 70 increment that factors in Charter School Costs



Updated Foundation Budgets with Guaranteed Funding for District Schools



Impact on Districts

Districts that will benefit from FBRC

- *Will continue to benefit fully from the FBRC recommendations*
- *Can also benefit from District Student Aid*

Districts that will benefit from a new Guaranteed Floor

- *Would not significantly benefit from FBRC alone*
- *Face increasing charter assessments and flat aid under FBRC*
- *Guaranteed to receive a new floor of target aid share of District Foundation Budgets*

| Districts that Benefit from both FBRC and a new Guaranteed Floor | | | | | |
|--|-------------|------------|------------|----------|------------|
| Springfield | Brockton | Worcester | Malden | Boston | Cambridge |
| Lawrence | New Bedford | Chelsea | Lowell | Plymouth | Sandwich |
| Holyoke | Quincy | Barnstable | Framingham | Salem | Somerville |
| Fall River | Revere | Lynn | Medford | Randolph | and more |

FBRC Component Adjustments

Implement Rate and Component Changes

- *FBRC rate changes will increase foundation budgets for Districts and Charters.*

- **Benefits**

- *Continue rollout and structure from FY18 & FY19 Chapter 70*
- *Phase-in remaining rates*

- **Economically Disadvantaged**

- *Maintain deciles and implement 50%-100%*
- *Phase-in on yearly weighted average per pupil rate*

- **English Language Learners**

- *Full increment of \$2,537*

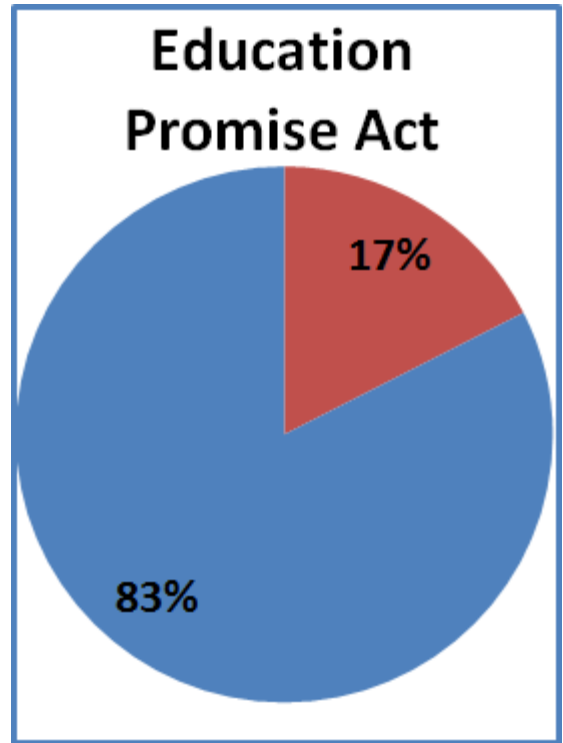
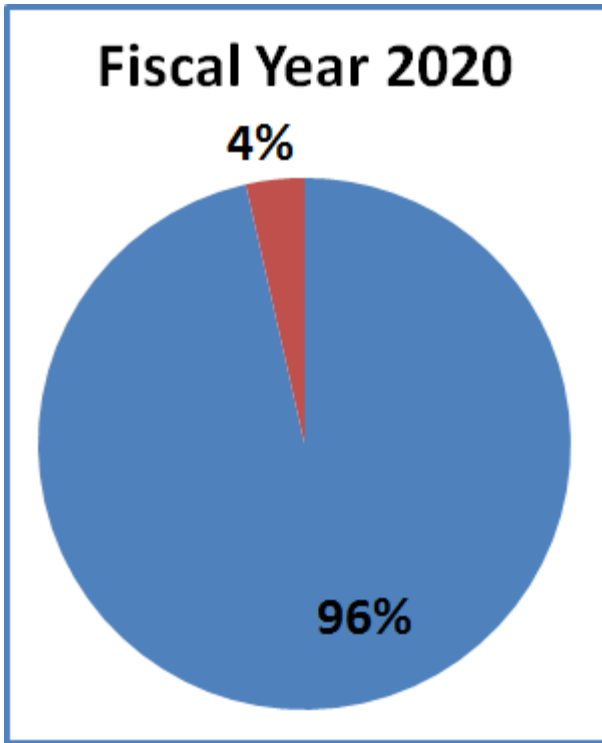
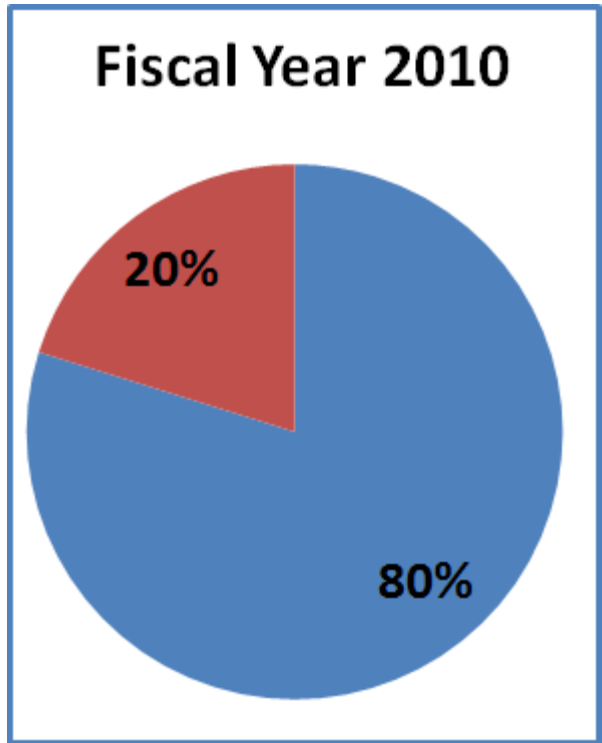
- **Out of District Special Education**

- *Goal rate of three times yearly statewide per pupil foundation budget*

- **In-District Special Education**

- *Increase formulaic enrollment*

BPS Funding Sources in the Past, Present and Future



City Funding

Net State Education Funding

Since 2010, **Net State Education Aid has fallen from 20% of the BPS budget to less than 4%**. City Funds have fully replaced lost state funding and more.

Restore the balance and the partnership of State and City funding in educating District Students

Other Components of Education Finance Reform

- Properly accounting for enrollment levels
- Phased-in annually through public process
- Re form the Foundation Budget Commission every 5 years
- Data Advisory Task Force/Accountability