



CITY *of* **BOSTON**

State FY 19 Budget and
Legislative Advocacy

CHAPTER 70 – FY2019



Since FY2014:

- Chapter 70 (state education aid) has grown by over **\$550 million, or 12%**, statewide.
- Boston's Chapter 70 aid has only grown by **\$10 million or 5%**. This increase does not meet the needs of our students and district.
- Total education spending by the City of Boston has **increased by \$170M** over this same time period.

CHARTER FUNDING – FY2019



Under the Governor's FY19 Budget (H2), the City of Boston's:

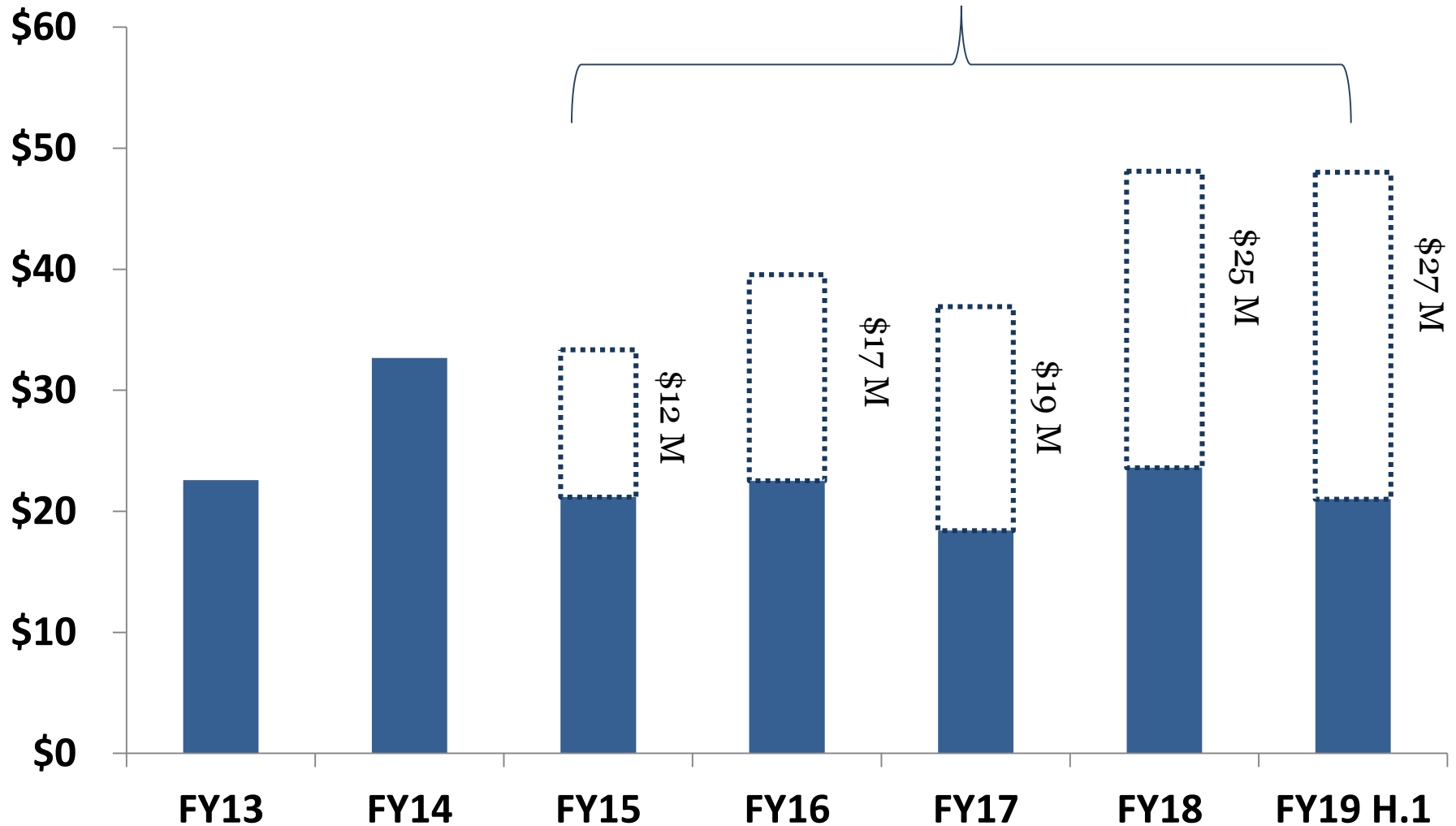
- Charter school assessment would **increase by \$19 million** (compared to FY18) for a total of \$194.2 million.
- Charter school reimbursement from the State would **decrease by \$3.4 million** over FY18, for a total of \$21.3 million.

FULLY FUND CHARTER SCHOOL REIMBURSEMENT



Over \$100M underfunded for Boston

(\$ in millions)



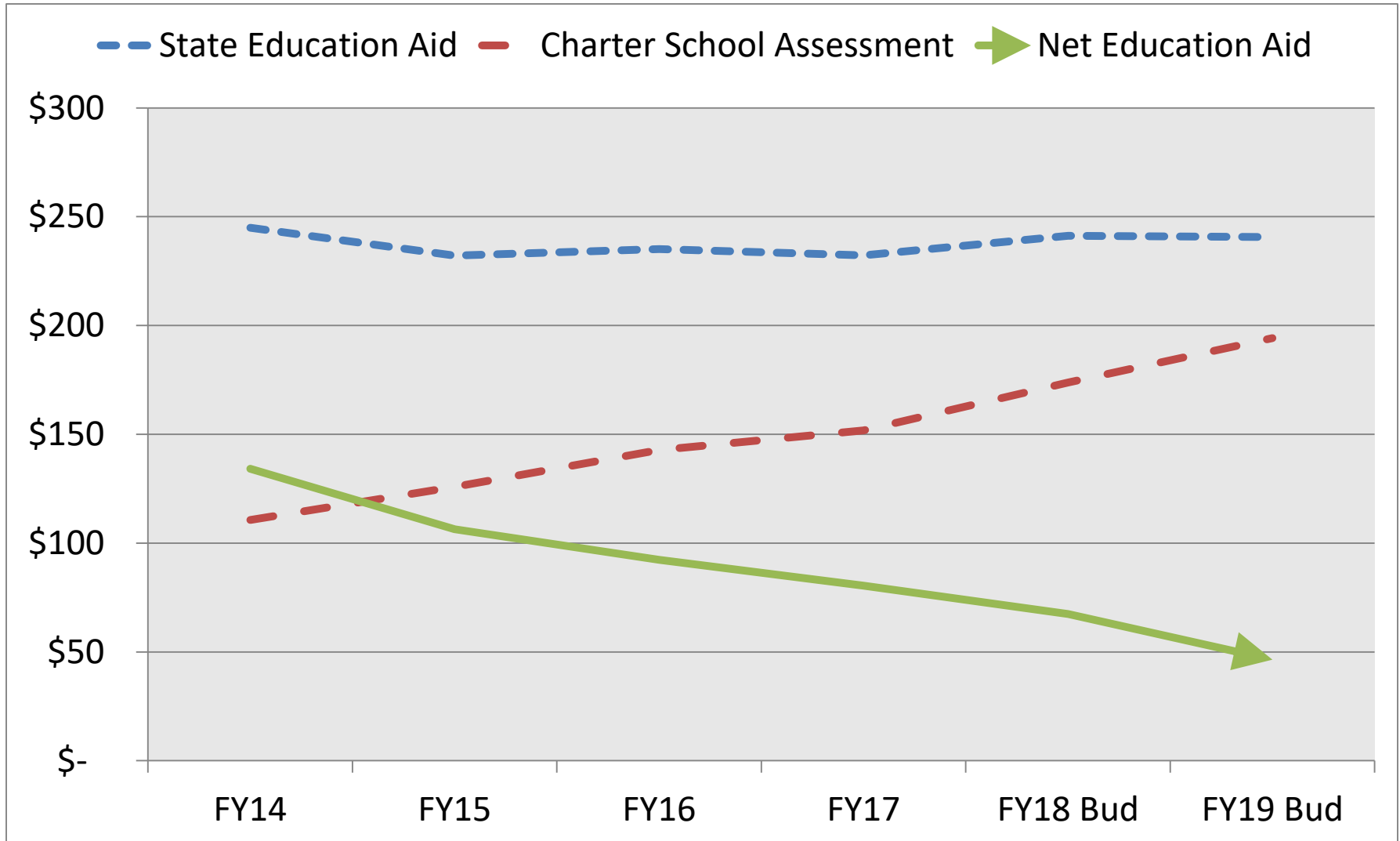
FULLY FUND CHARTER SCHOOL REIMBURSEMENT



Charter School Reimbursement (7061-9010) FY19 Request: \$172 million (full funding)

- The City of Boston has lost over \$73 million in four years (FY15 – FY18). Based on H2, Boston is projected to lose another \$27 million in FY19.
- Without a change in how the state funds this critical local aid line item, the City of Boston will be left to make difficult budgetary decisions that will impact the quality of life for our residents.

STATE EDUCATION AID TRENDS



CHARTER FINANCE LEGISLATION



- In January 2017, Mayor Walsh filed several pieces of legislation intended to address the changing landscape of public education, particularly focused on solutions to fix the challenges associated with state education aid.
- One of the Mayor's proposals focuses on how the State supports municipalities with high numbers of charter seats:
 - eliminate the current 6-year reimbursement model, and
 - streamline the Commonwealth's commitment by providing 3 years of transitional funding (100% of the tuition in year 1, 50% in year 2, and 25% in year 3, with the municipality responsible for the balance in Years 2 and 3) directly to charter schools.

CHAPTER 70 REFORMS



- The Legislature's Joint Committee on Education has endorsed legislation that updates the Chapter 70 Foundation Budget. Even if these changes are fully funded, Boston will not see a large increase in state education aid.
- Mayor Walsh has proposed an additional change to the Chapter 70 formula, which would cap the municipal revenue growth factor at 2.5% for Boston and other communities that:
 - serve the Commonwealth's most economically disadvantaged students
 - are investing more in their students than is required,
 - but are receiving stagnant education aid each year.

Updating the Foundation Budget must be done in tandem with capping the Municipal Revenue Growth Factor at 2.5%.

Without this change, Boston will not benefit from implementing foundation budget reforms for nearly 7 years.

UNIVERSAL ACCESS TO QUALITY PRE-K



Close the Gap in Quality Pre-K seats by 2025

- Create a nationwide model for a city-wide, mixed delivery system with school and community based centers
- Guarantee every 4-year old in Boston a high quality Pre-Kindergarten seat.
- Close the gap of 1,500 quality Pre-K seats in Boston

Redirect funding that has outlived its purpose

- \$16.5 million in annual special revenue collected by the Convention Center
- Funding has been used to for unintended purposes and to balance the State budget

HB #3759

STATE HOUSE CALENDAR



- April 2018:** House of Representatives proposes and debates FY19 budget
- May 2018:** Senate proposes and debates FY19 budget
- June 2018:** Conference Committee reconciles FY19 budget
Governor may veto budget line items
Legislature may override vetoes
- July 1, 2018:** First day of Fiscal Year 2019
- July 31, 2018:** Last day of the Legislature's formal sessions

PRIORITY REQUESTS



FY2019 State Budget

Fully fund Charter School Reimbursement
(line item 7061-9010) at \$172 million.

2017-2018 Legislative Session

Pass H.3759 to guarantee every 4-year old in Boston access to a high quality Pre-Kindergarten seat.