

School funding in Massachusetts:

How it works, how it doesn't,
how it's spent, and who decides

“Old Deluder Satan” law of 1647

• “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.”

No. 19 in Map 54-11

Map 60.2. N87. 1778

Printed by R. Daltrey at the Rose, Peter Noster Row.

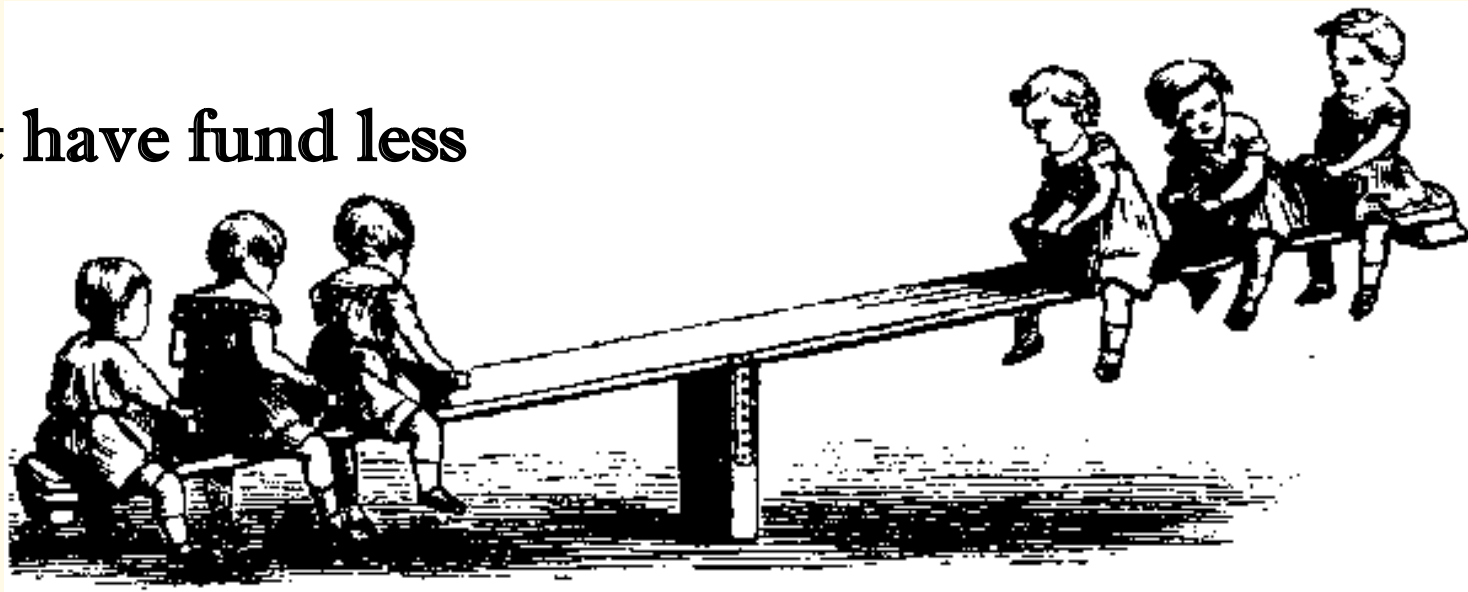
Cut from London Magazine, 1778, facing p. 1518.

87/8

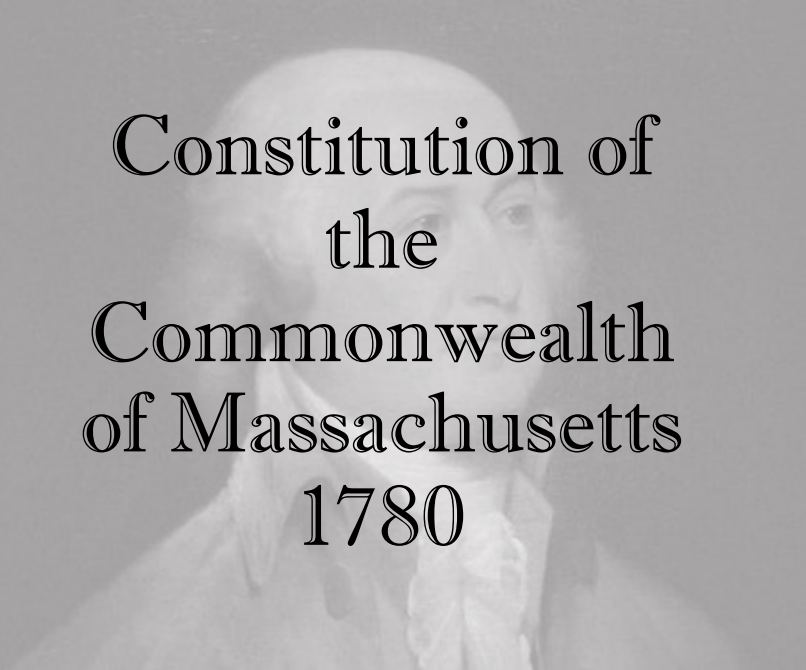
What happens when education is locally funded?

Those that have fund more

Those that don't have fund less



Plus communities with fewer resources
often have greater needs.

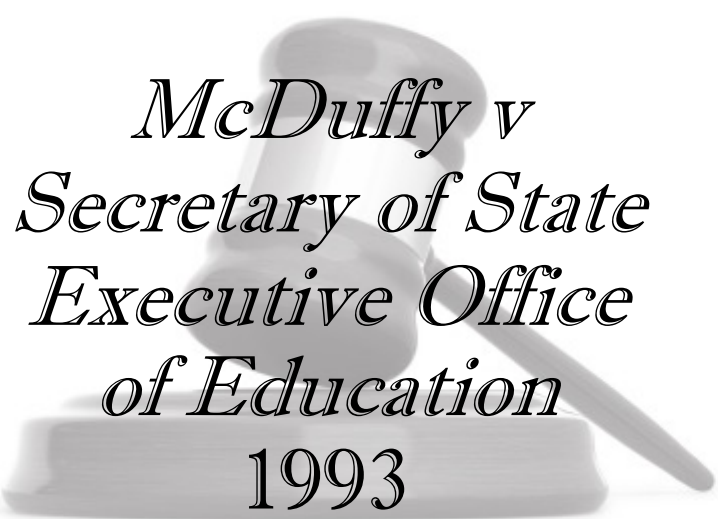


Constitution of
the
Commonwealth
of Massachusetts
1780

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“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 it shall be the duty of legislatures and magistrates

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*

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“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,

The Commonwealth has a duty to provide an education for all its children, rich and poor, in every city and town of the Commonwealth 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.”

The state thus is faced with two questions:

1. How much does it cost to educate a child in Massachusetts?

2. Who is going to pay for it?

8 CAS
misc-225
3/10/22

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 16th DAY OF JUNE, 1813.

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



BOSTON;

PRINTED BY RUSSELL & CUTLER.

1813.

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.”

Instructional Leadership

Administration

Classroom & Specialist Teachers

PD

Other teaching services

Instructional Materials, Equipment, and Technology

Base foundation amount

Tuition

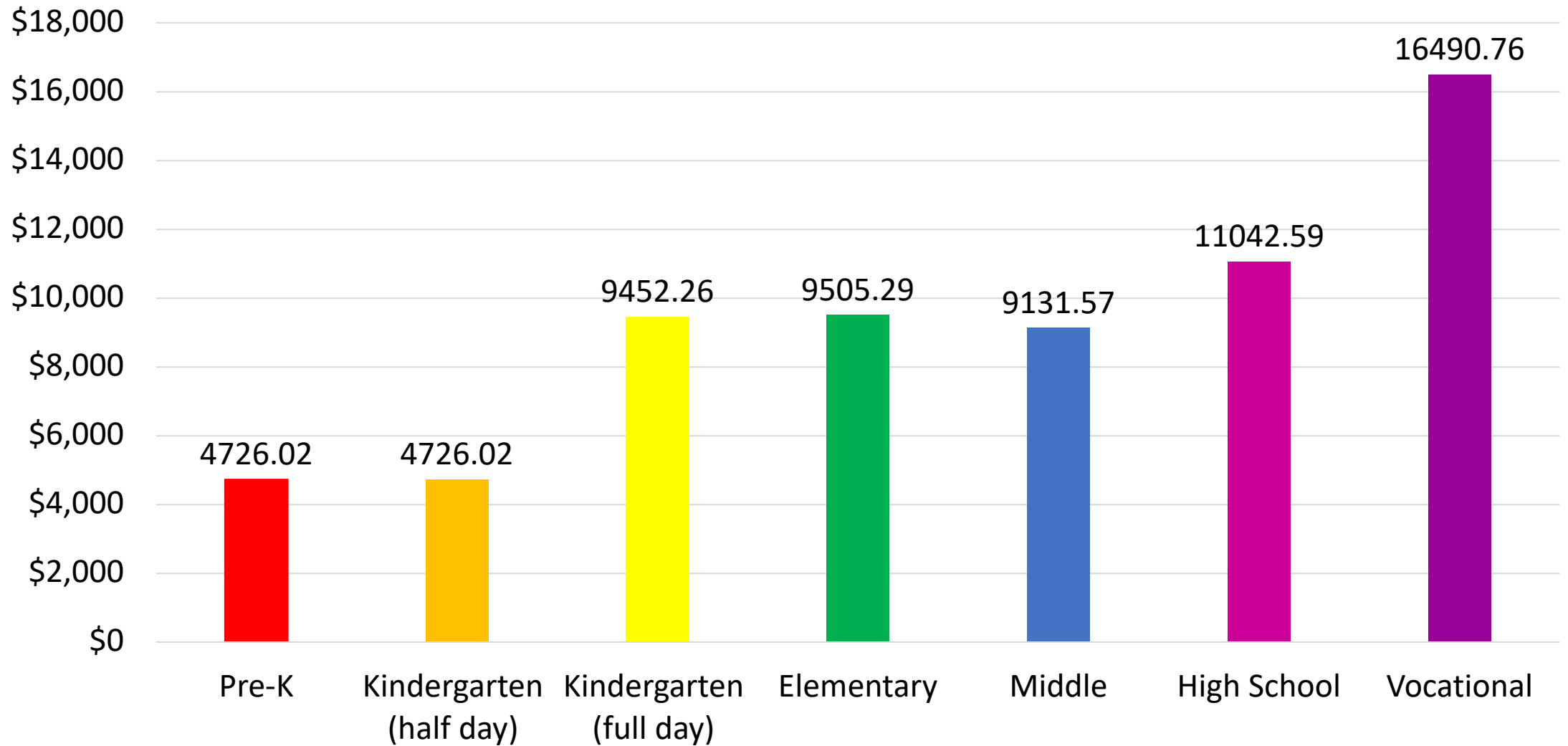
Charges



the following are House 1 [Governor's budget] rates



Foundation budget rates: House 1 FY24



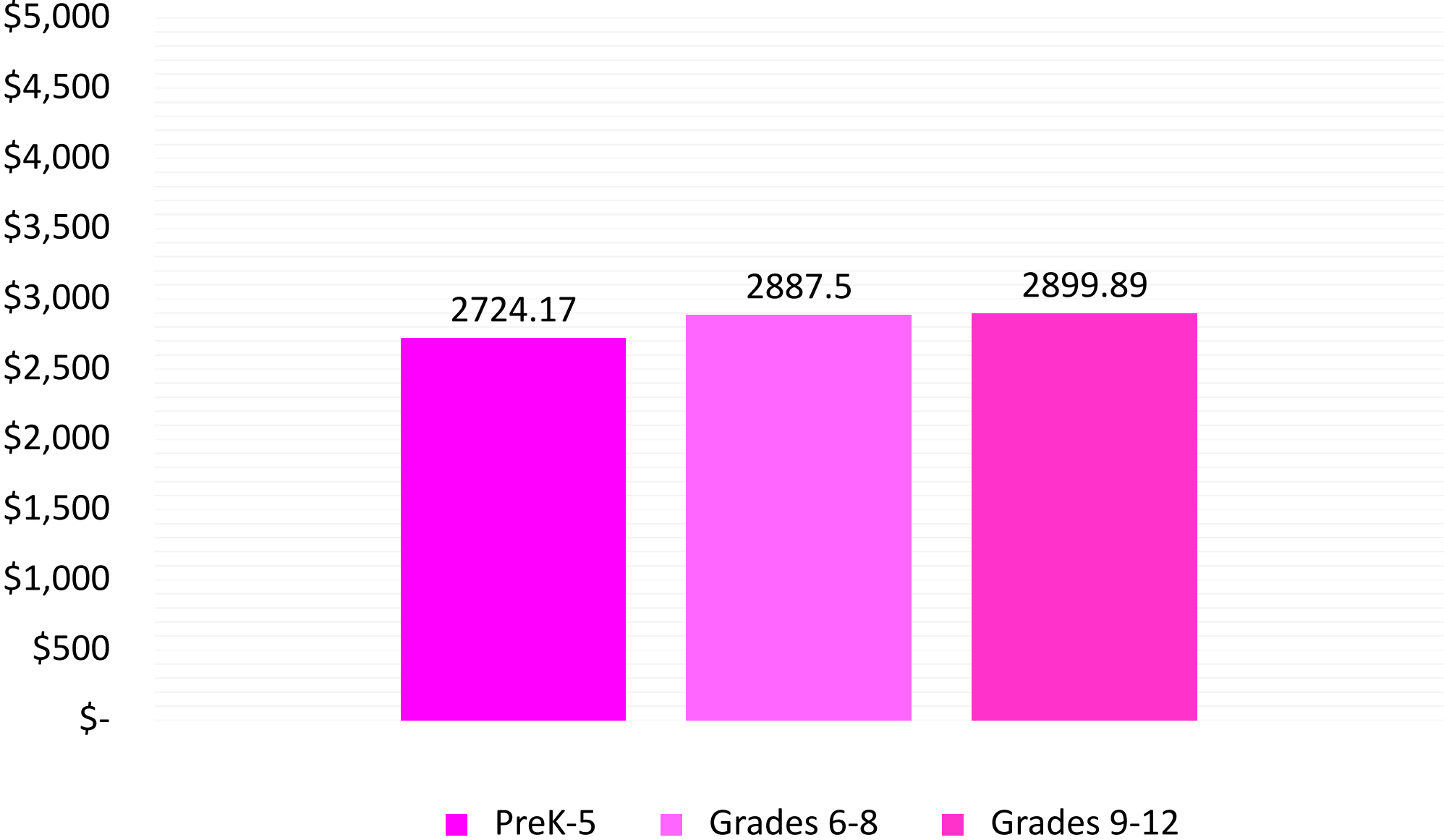
 English Learner
increment

 Low income
increment

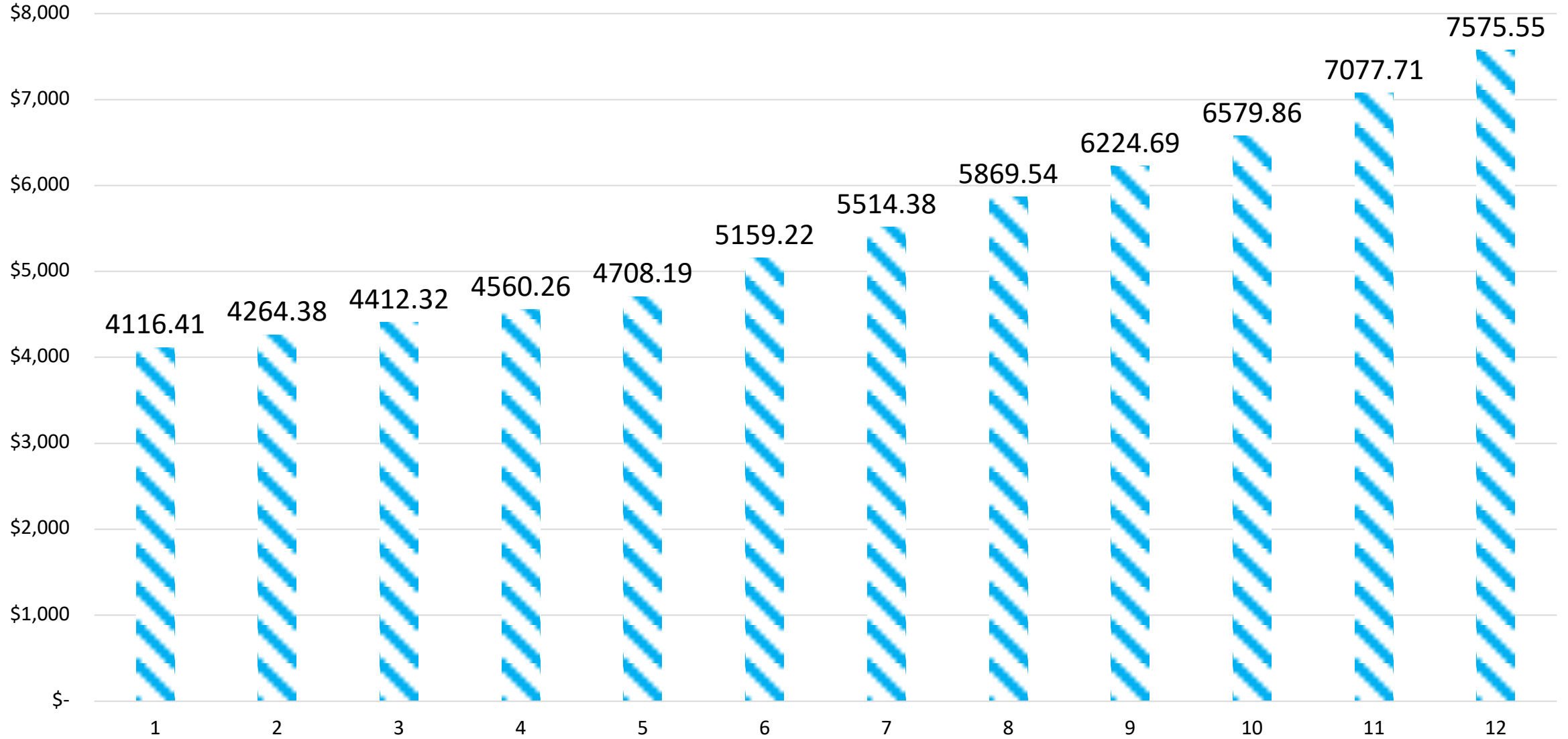
Base foundation
amount



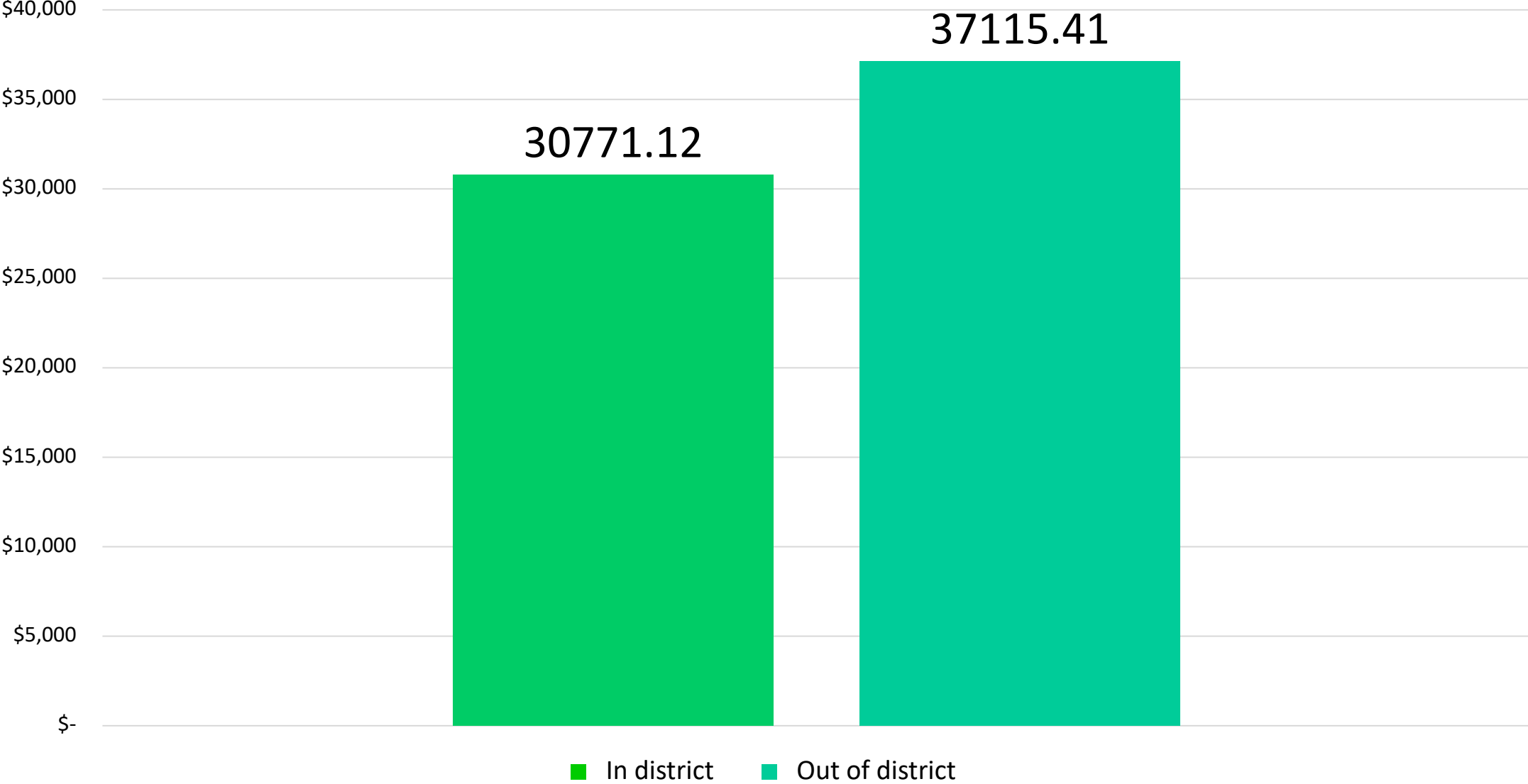
English learners increment: House 1 FY24



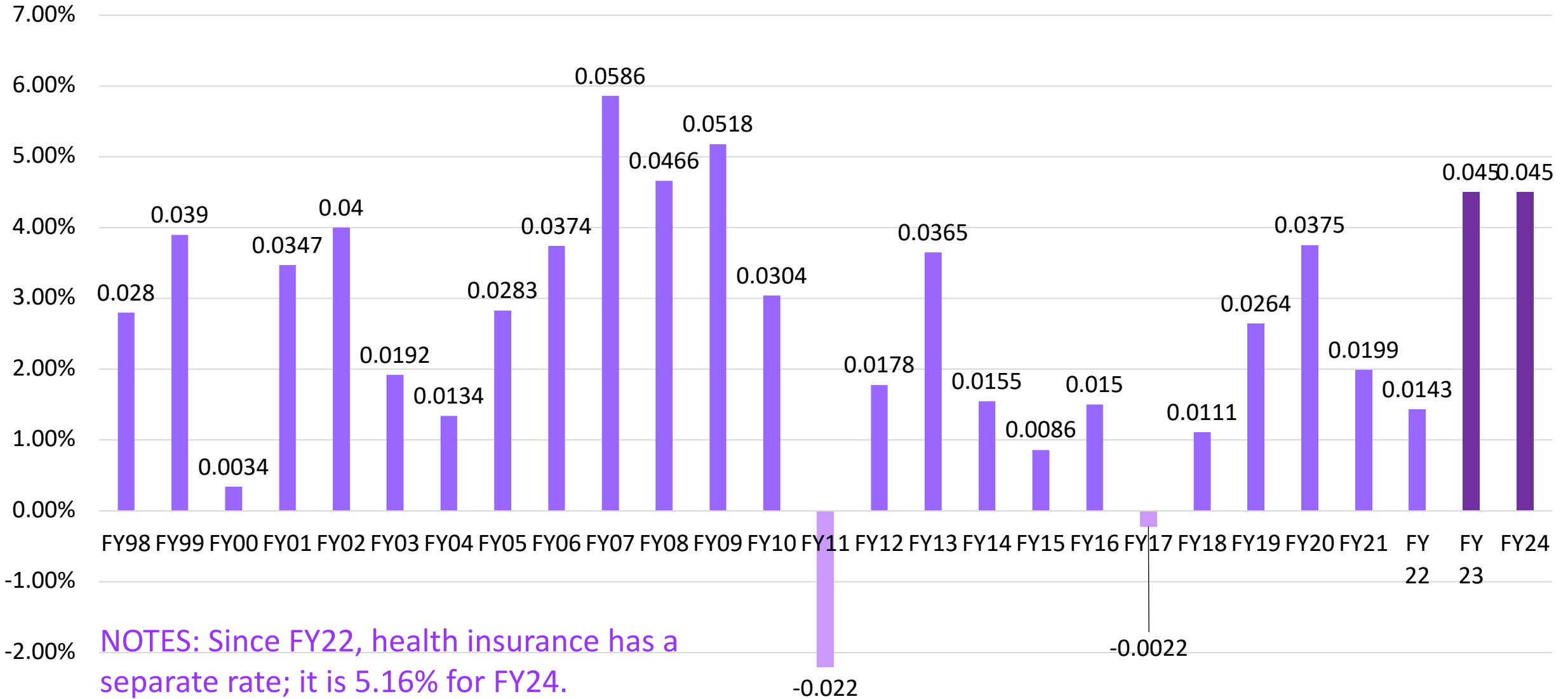
Low income: House 1 FY24



Special education: House 1 FY24



Inflation rate*



NOTES: Since FY22, health insurance has a separate rate; it is 5.16% for FY24.
 Since FY22, the rate is capped at 4.5%; the actual rate for FY24 would be 6.1%.

*Price Deflator Index for State and Local Governments

Massachusetts Department of Elementary and Secondary Education
Office of School Finance



FY24 Chapter 70 Foundation Budget



348 Worcester

	Base Foundation Components							Incremental Costs Above the Base						TOTAL
	1 Pre-school	2 ----- Kindergarten ----- Half-Day	3 Full-Day	4 Elementary	5 Junior/ Middle	6 High School	7 Vocational	8 Special Ed In-District	9 Special Ed Tuitioned-Out	10 English learners PK-5	11 English learners 6-8	12 English learners High School/Voc	13 Low income	
Foundation Enrollment	1,069	0	2,073	9,807	5,846	6,244	2,047	1,035	240	4,687	1,341	1,719	20,012	26,552
1 Administration	236,612	0	917,655	4,341,265	2,587,849	2,764,031	906,145	3,162,101	847,567	504,602	153,035	196,997	1,918,951	18,536,811
2 Instructional Leadership	427,322	0	1,657,384	7,840,795	4,673,935	4,992,140	1,636,597	0	0	883,031	267,784	344,745	9,091,452	31,815,186
3 Classroom & Specialist Teachers	1,959,456	0	7,599,535	35,951,579	18,859,313	29,622,223	16,509,157	10,434,125	0	6,180,934	1,874,463	2,413,167	88,751,219	220,155,171
4 Other Teaching Services	502,537	0	1,949,138	9,221,032	3,956,807	3,518,244	1,153,403	9,742,196	12,948	883,031	267,784	344,745	0	31,551,865
5 Professional Development	77,492	0	300,709	1,422,800	919,342	952,148	516,069	503,331	0	252,254	76,504	98,482	4,305,782	9,424,912
6 Instructional Materials, Equipment & Techn	283,595	0	1,099,955	5,203,692	3,101,946	5,300,906	3,041,166	439,326	0	630,683	191,267	246,230	659,996	20,198,762
7 Guidance & Psychological Services	185,365	0	718,958	3,401,264	2,285,669	2,779,267	911,140	0	0	378,428	114,776	147,748	3,593,955	14,516,570
8 Pupil Services	56,700	0	220,007	1,560,980	1,520,018	3,743,715	1,227,320	0	0	126,174	38,259	49,249	18,674,398	27,216,821
9 Operations & Maintenance	544,121	0	2,110,293	9,983,428	6,451,763	6,681,580	4,099,547	3,532,207	0	1,513,714	459,051	590,975	0	35,966,678
10 Employee Benefits/Fixed Charges*	778,916	0	3,020,900	14,291,545	9,026,516	8,595,678	3,756,040	4,034,823	0	1,415,333	429,214	552,573	14,643,381	60,544,919
11 Special Education Tuition*	0	0	0	0	0	0	0	0	8,047,183	0	0	0	0	8,047,183
12 Total	5,052,115	0	19,594,535	93,218,379	53,383,158	68,949,932	33,756,586	31,848,109	8,907,698	12,768,185	3,872,138	4,984,911	141,639,133	477,974,879
13 Wage Adjustment Factor	100.0%													
Foundation Budget per Pupil													18,001	

*The wage adjustment factor is applied to underlying rates in all functions except instructional equipment, benefits and special education tuition.

Foundation budget fast facts:

- Districts must spend no less than 95% of this amount each year.
- They can (and most do!) spend more.
- This does not include all funds spent on education in a district: transportation, some rental property, a few other items are not included. Grants are not included in this amount, nor is capital spending.
- This is intended as a “fair and adequate minimum.”
- We are currently entering year 3 of changes due to the Student Opportunity Act, signed into law in November 2019.

The state thus is faced with two questions:

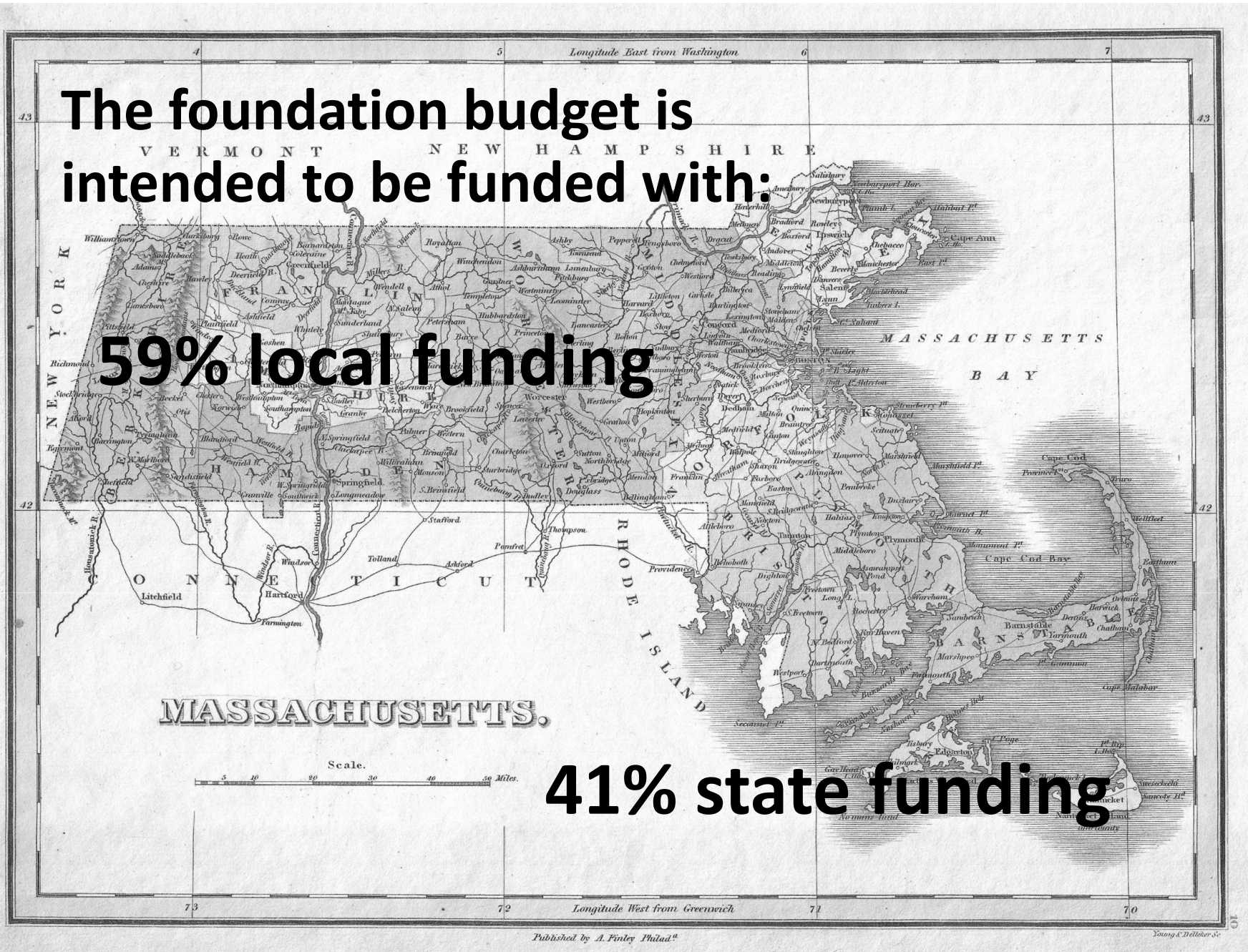
1. How much does it cost to educate a child in Massachusetts?

2. Who is going to pay for it?

The foundation budget is intended to be funded with:

59% local funding

41% state funding

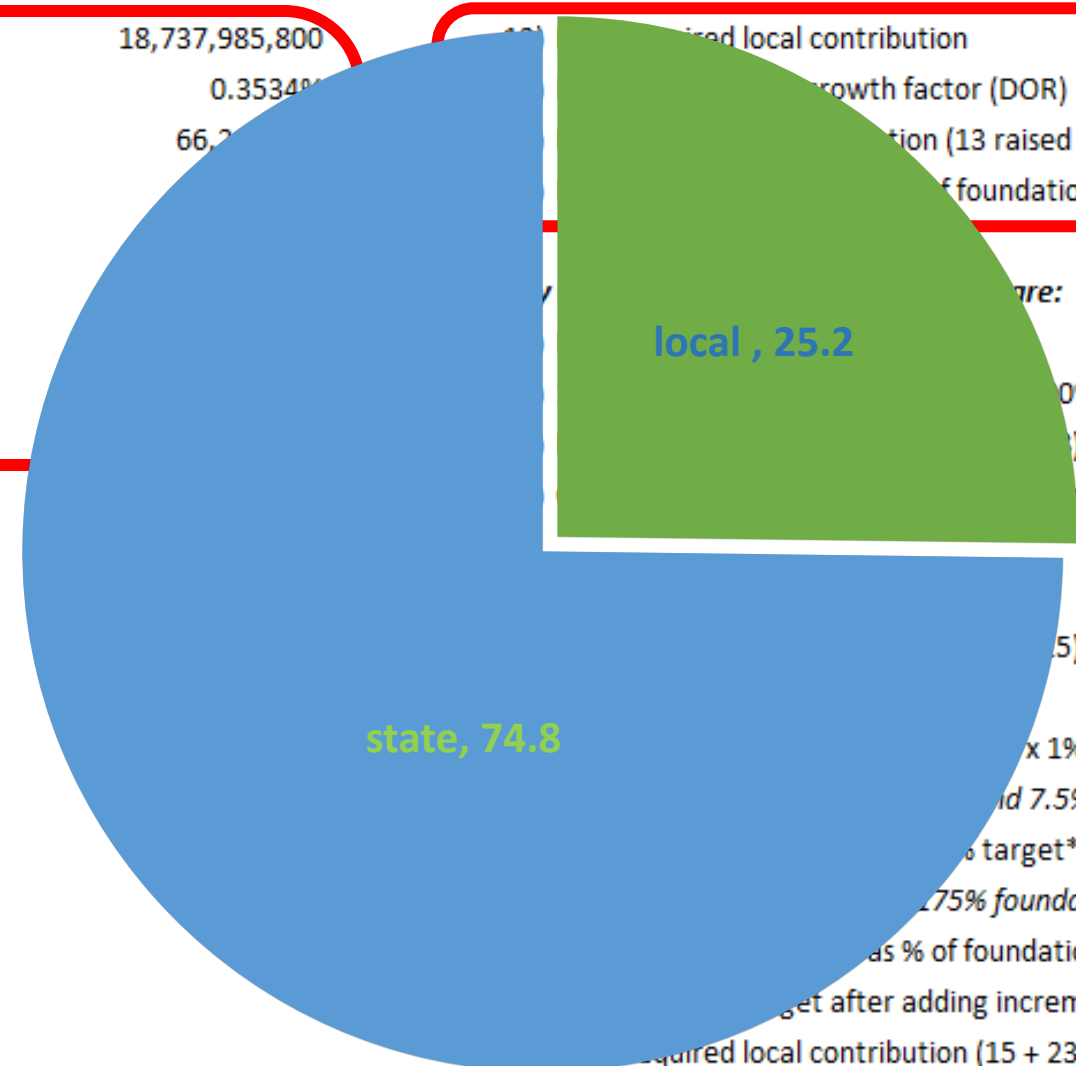


348 Worcester

Effort Goal

FY24 Increments Toward Goal

1) 2022 equalized valuation	18,737,985,800	1) Required local contribution	114,317,014
2) Uniform property percentage	0.3534%	2) Growth factor (DOR)	4.35%
3) Local effort from property wealth	66.2%	3) Foundation (13 raised by 14)	119,289,804
4) 2020 income		4) Foundation (15 / 8)	24.96%
5) Uniform income percentage		5) State share:	
6) Local effort from income		6) (10%)	
7) Combined effort yield (3 + 6)		7) (10%), capped at 90% of foundation	
8) FY24 Foundation budget		8) (19 / 8)	
9) Maximum local contribution (82.5% * 8)		9) (15)	23,628,553
10) Target local contribution (lesser of 7 or 9)		10) (4.94%)	4.94%
11) Target local share (10 as % of 8)		11) (x 1% or 2%)*	1,143,170
12) Target aid share (100% minus 11)		12) (aid 7.5%; 2% if shortfall > 7.5%)	
		13) (to target)**	0
		14) (75% foundation)	
		15) (as % of foundation)	
		16) (budget after adding increments (10 - 15 - 23 - 24))	22,485,383
		17) (required local contribution (15 + 23 + 24))	120,432,974
		18) (27) Contribution as percentage of foundation (26 / 8)	25.20%

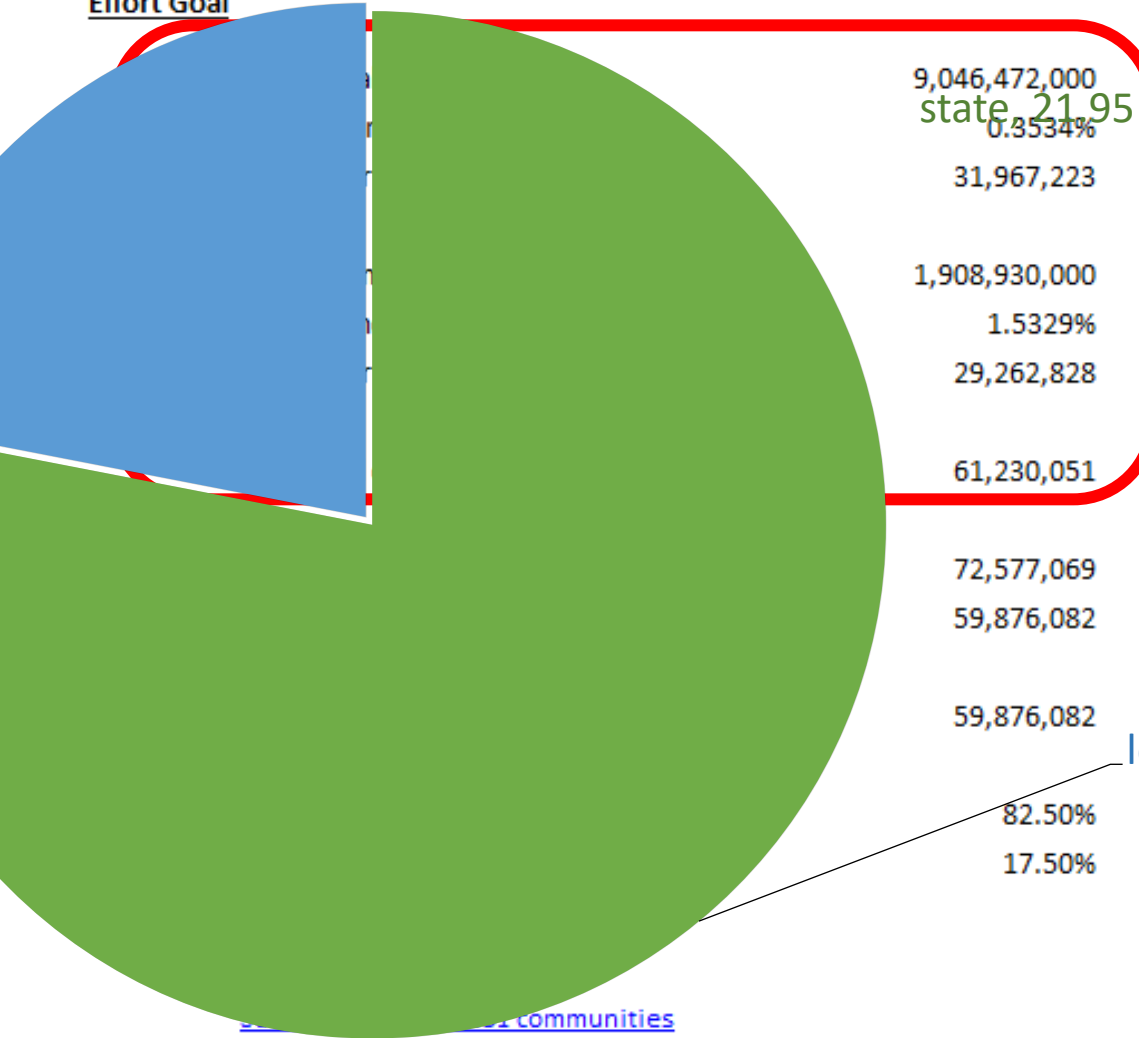


[See a listing of all 351 communities](#)

FY24 Chapter 70 Determination of City and Town Total Required Contribution

31 Billerica

Effort Goal



FY24 Increments Toward Goal

13) FY23 required local contribution	53,277,005
14) Municipal revenue growth factor (DOR)	5.33%
15) FY24 preliminary contribution (13 raised by 14)	56,116,669
16) Preliminary contribution pct of foundation (15 / 8)	77.32%

If preliminary contribution is above the target share:

- 17) Excess local effort (15 - 10)
- 18) 100% reduction toward target (17 x 100%)
- 19) FY24 required local contribution (15 - 18), capped at 90% of foundation
- 20) Contribution as percentage of foundation (19 / 8)

If preliminary contribution is below the target share:

- 21) Shortfall from target local share (10 - 15)
- 22) Shortfall percentage (11 - 16)
- 23) Added increment toward target (13 x 1% or 2%)*

*1% if shortfall is between 2.5% and 7.5%; 2% if shortfall > 7.5%

- 24) Special increment toward 82.5% target**
- **if combined effort yield > 175% foundation
- Combined effort yield as % of foundation

- 25) Shortfall from target after adding increments (10 - 15 - 23 - 24)
- 26) FY24 required local contribution (15 + 23 + 24)
- 27) Contribution as percentage of foundation (26 / 8)

local, 78.05

communities

343 Winchendon

Effort Goal

1) 2022 equalized valuation	983,994,000
2) Uniform property percentage	0.3534%
3) Contribution from property wealth	3,477,108
4) Total effort	277,647,000
5) Effort as percentage of foundation	1.5329%
6) Excess effort	4,256,173
7) Total effort (6 + 4)	7,733,281
8) Excess effort (7 - 6)	22,267,067
9) Total effort (7 + 8)	18,370,330
10) Shortfall from target local share (10 - 15)	7,733,281
11) Shortfall percentage (11 - 16)	34.73%
12) Added increment toward target (13 x 1% or 2%)*	65.27%

FY24 Increments Toward Goal

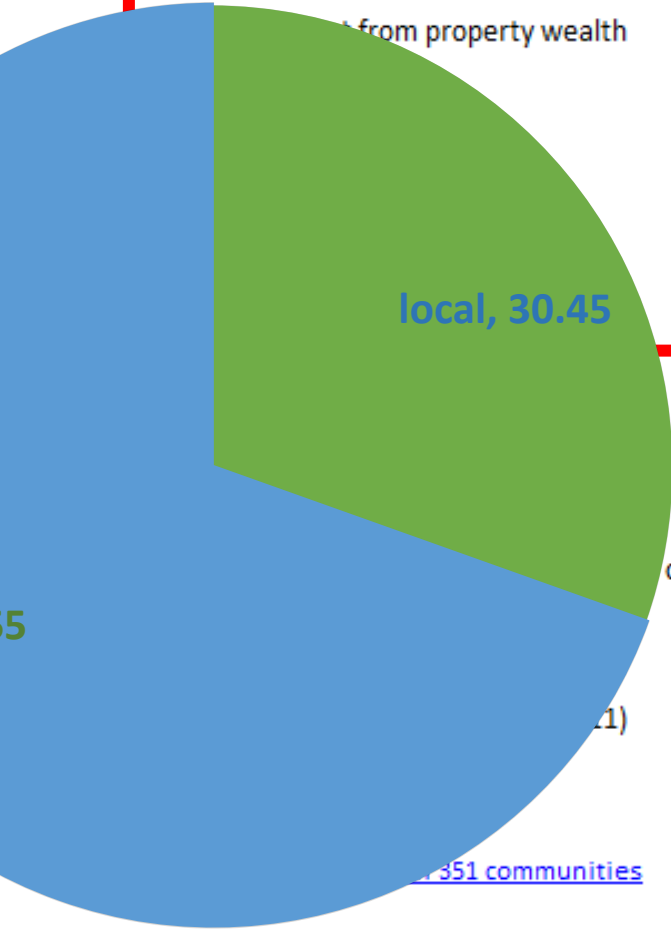
13) FY23 required local contribution	6,472,829
14) Municipal revenue growth factor (DOR)	3.75%
15) FY24 preliminary contribution (13 raised by 14)	6,715,560
16) Preliminary contribution pct of foundation (15 / 8)	30.16%

If preliminary contribution is above the target share:

17) Excess local effort (15 - 10)	
18) 100% reduction toward target (17 x 100%)	
19) FY24 required local contribution (15 - 18), capped at 90% of foundation	
20) Contribution as percentage of foundation (19 / 8)	

If preliminary contribution is below the target share:

21) Shortfall from target local share (10 - 15)	1,017,721
22) Shortfall percentage (11 - 16)	4.57%
23) Added increment toward target (13 x 1% or 2%)*	64,728
*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)	952,993
26) FY24 required local contribution (15 + 23 + 24)	6,780,288
27) Contribution as percentage of foundation (26 / 8)	30.45%



local, 30.45

351 communities

FY24 Chapter 70 Determination of City and Town Total Required Contribution

315 Wayland

Effort Goal

1) 2022 equalized value	
2) Uniformity factor	
3) Local effort	
4) 2020 income	
5) Uniformity factor	
6) Local effort	
7) Combined effort	
8) FY24 Foundation	27,323,533
9) Maximum local contribution	22,733,533
10) Target local contribution (less 9)	27,323,533
11) Target local share (10 as % of 8)	82.50%
12) Target aid share (100% minus 11)	17.50%

FY24 Increments Toward Goal

13) FY23 required local contribution	24,877,273
14) Municipal revenue growth factor (DOR)	2.92%
15) FY24 preliminary contribution (13 raised by 14)	25,603,689
16) Preliminary contribution pct of foundation (15 / 8)	77.31%

if preliminary contribution is above the target share:

17) Excess local effort (15 - 10)	
18) 100% reduction toward target (17 x 100%)	
19) FY24 required local contribution (15 - 18), capped at 90% of foundation	
20) Contribution as percentage of foundation (19 / 8)	

if preliminary contribution is below the target share:

21) Shortfall from target local share (10 - 15)	1,719,844
22) Shortfall percentage (11 - 16)	5.19%
23) Added increment toward target (13 x 1% or 2%)*	248,773

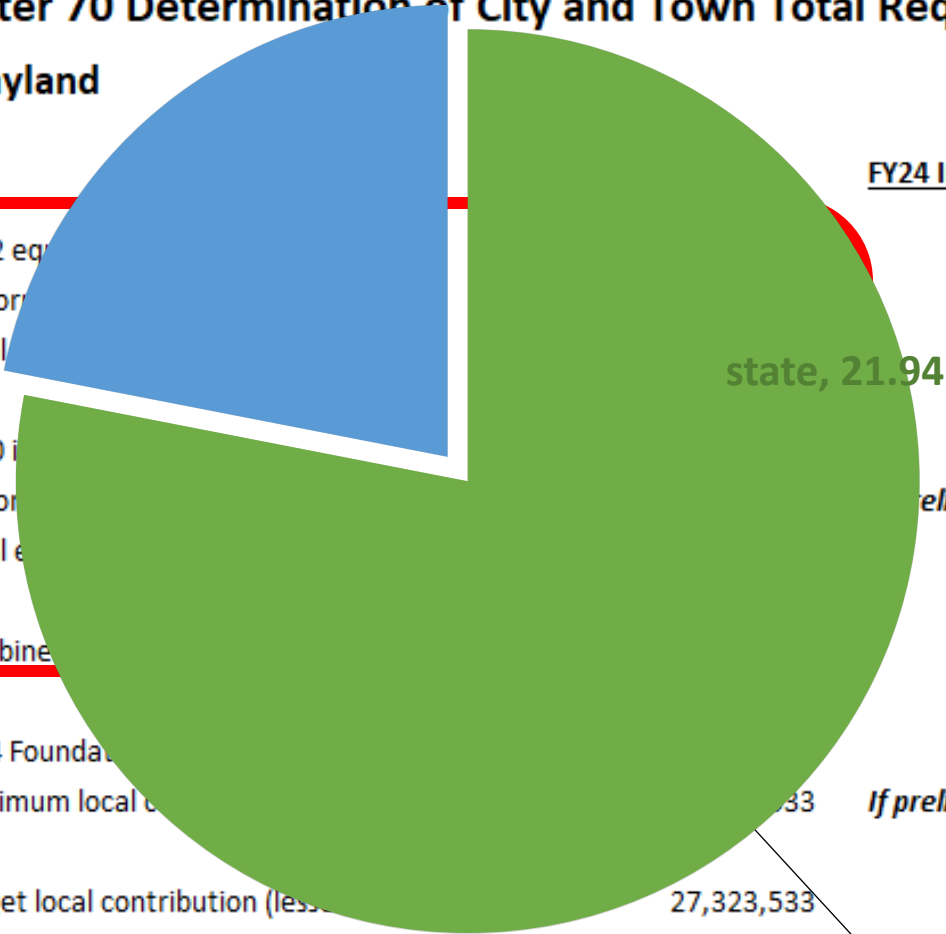
*1% if shortfall is between 2.5% and 7.5%; 2% if shortfall > 7.5%

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)	1,471,071
26) FY24 required local contribution (15 + 23 + 24)	25,852,462
27) Contribution as percentage of foundation (26 / 8)	78.06%



[See a listing of all 351 communities](#)

673 Groton Dunstable

Aid Calculation FY24

Comparison to FY23

Prior Year Aid

1 Chapter 70

Foundation Aid

2 Founda

3 Requ

4 Found

5 Increa

Minimum Aid

6 Minim

7 Minim

(if line 6 -

Subtotal

8 Sum of 1,5,7

Minimum Aid Adjustment

9 Minimum aid adjustment

10 Aid adjustment increment

(if line 9 - line 8 > 0, then line 9 - line 8, otherwi **0**)

Non-Operating District Reduction to Foundation

11 Reduction to foundation

0

FY24 Chapter 70 Aid

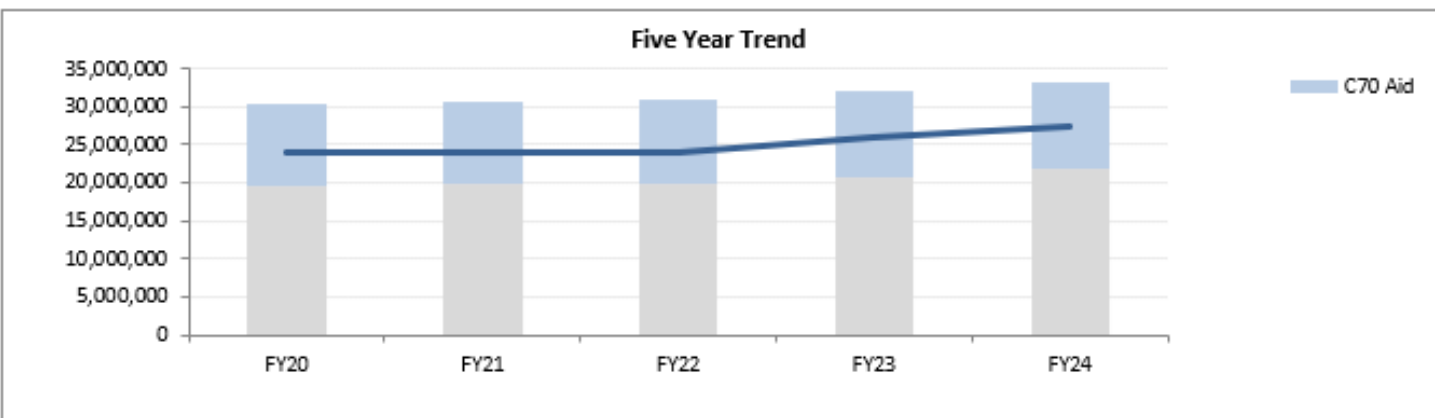
12 Sum of 1,5,7,10 minus 11

11,193,413

state, 40.81

local, 59.19

	FY23	FY24	Change	Pct Chg
ment	2,288	2,283	-5	-0.22%
on budget	26,006,774	27,429,942	1,423,168	5.47%
istrict contribution	20,809,059	21,929,584	1,120,525	5.38%
aid	11,124,923	11,193,413	68,490	0.62%
school spending (NSS)	31,933,982	33,122,997	1,189,015	3.72%
re	17.50%	17.50%		
oundation	42.78%	40.81%		
% of foundation	122.79%	120.75%		



Note on Minimum Aid Adjustment on lines 9 and 10:
The minimum aid adjustment is the sum of (a) the

616 Ayer Shirley

Aid Calculation FY24

- Prior Year Aid**
- 1 Chapter 70 FY23
- Foundation Aid**
- 2 Foundation budget FY24
- 3 Required district contribution FY24
- 4 Foundation aid (2 -3)
- 5 Increase over FY23 (4 - 1)

- Minimum Aid**
- 6 Minimum \$30 per pupil increase
- 7 Minimum aid amount
- (if line 6 - line 5 > 0, then line 6 - line 5)

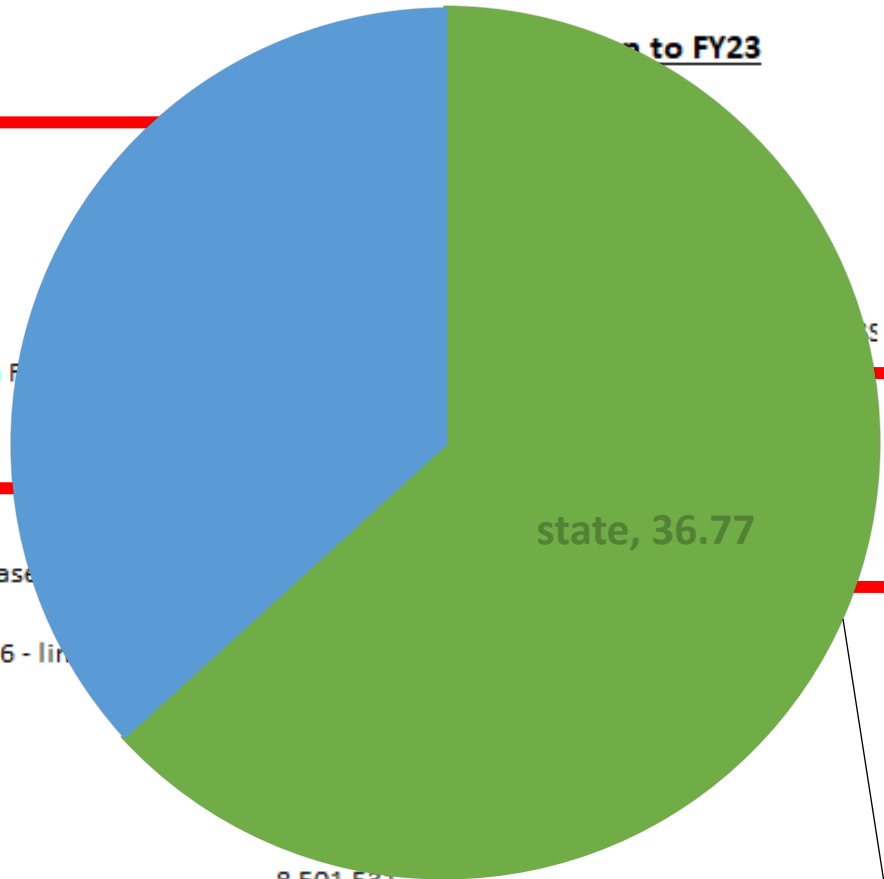
Subtotal
8 Sum of 1,5,7

- Minimum Aid Adjustment**
- 9 Minimum aid adjustment
- 10 Aid adjustment increment
- (if line 9 - line 8 > 0, then line 9 - line 8, otherwise 0)

Non-Operating District Reduction to Foundation
11 Reduction to foundation

FY24 Chapter 70 Aid
12 Sum of 1,5,7,10 minus 11

Note on Minimum Aid Adjustment on lines 9 and 10:
The minimum aid adjustment is the sum of (a) the



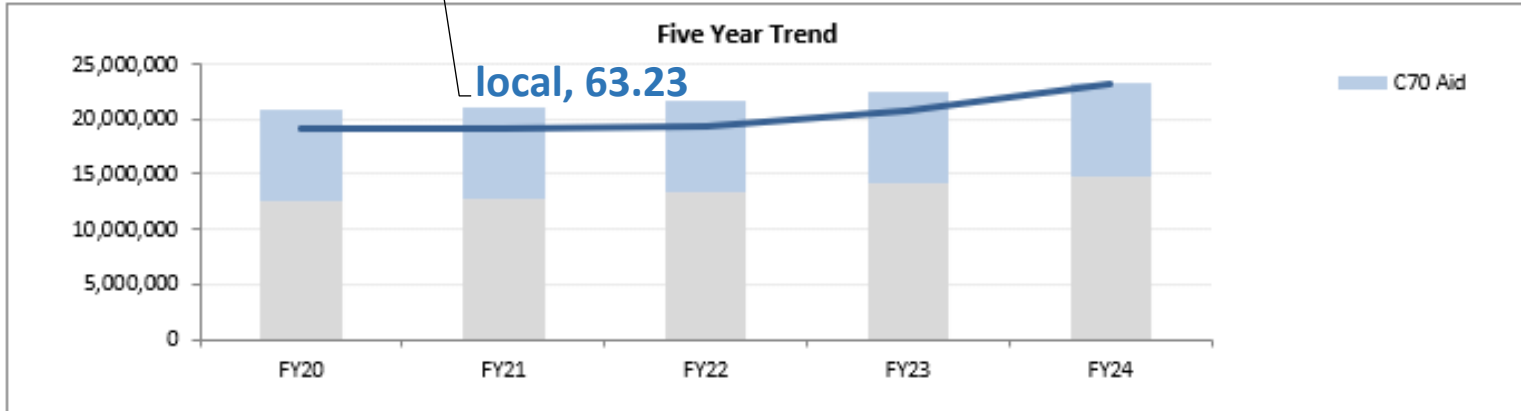
	FY23	FY24	Change	Pct Chg
Prior Year Aid	1,658	1,712	54	3.26%
1 Chapter 70 FY23	20,782,031	23,119,470	2,337,439	11.25%
2 Foundation budget FY24	14,087,905	14,814,575	726,670	5.16%
3 Required district contribution FY24	8,450,171	8,501,531	51,360	0.61%
4 Foundation aid (2 -3)	22,538,076	23,316,106	778,030	3.45%
5 Increase over FY23 (4 - 1)	29.07%	30.98%		
6 Minimum \$30 per pupil increase	40.66%	36.77%		
7 Minimum aid amount	108.45%	100.85%		

8,501,531

0

0

8,501,531

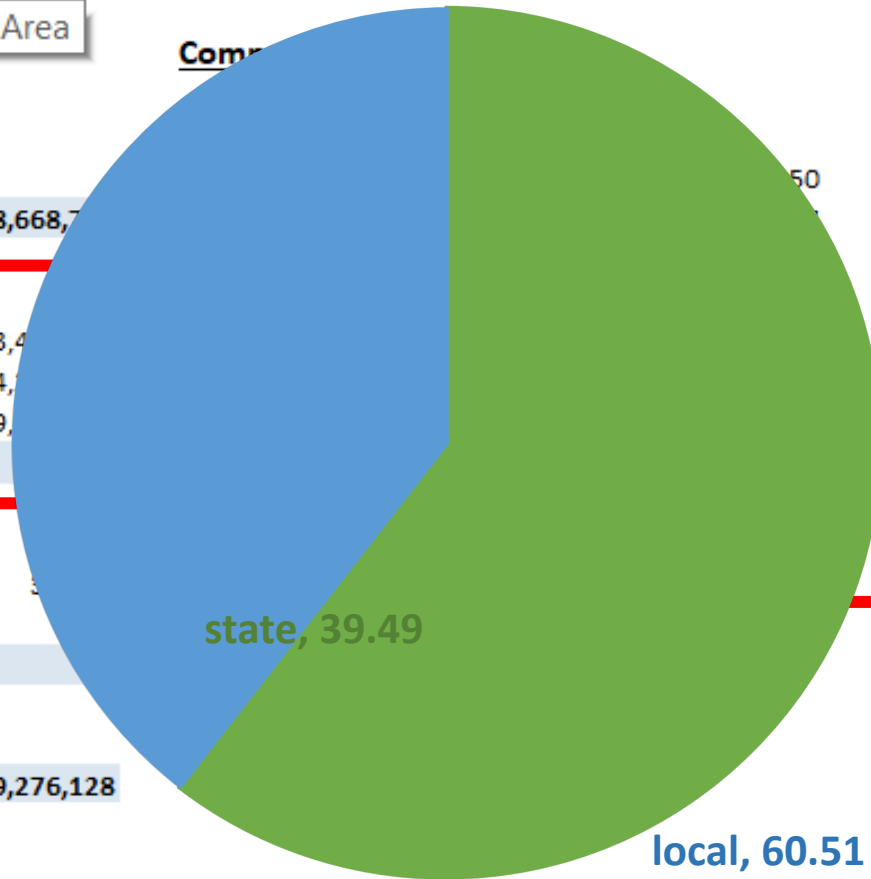


805 Blackstone Valley

Aid Calculation FY24

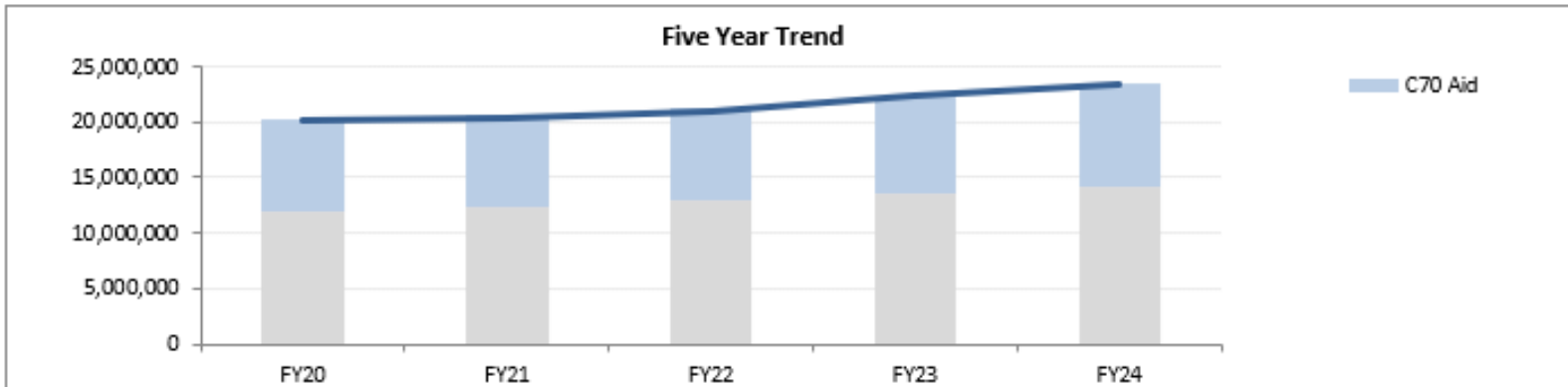
Line Item	Amount
Prior Year Aid	
1 Chapter 70 FY23	8,668,750
Foundation Aid	
2 Foundation budget FY24	23,489,725
3 Required district contribution FY24	14,213,597
4 Foundation aid (2 - 3)	9,276,128
5 Increase over FY23 (4 - 1)	
Minimum Aid	
6 Minimum \$30 per pupil increase	
7 Minimum aid amount (if line 6 - line 5 > 0, then line 6 - line 5, otherwise line 5)	
Subtotal	
8 Sum of 1,5,7	9,276,128
Minimum Aid Adjustment	
9 Minimum aid adjustment	8,846,409
10 Aid adjustment increment (if line 9 - line 8 > 0, then line 9 - line 8, otherwise 0)	0
Non-Operating District Reduction to Foundation	
11 Reduction to foundation	0
FY24 Chapter 70 Aid	
12 Sum of 1,5,7,10 minus 11	9,276,128

Chart Area



	FY24	Change	Pct Chg
	1,244	-6	-0.48%
	23,489,725	1,189,327	5.33%
	14,213,597	581,963	4.27%
	9,276,128	607,365	7.01%
	23,489,725	1,189,328	5.33%
	34.45%		
	39.49%		
	100.00%		

Note on Minimum Aid Adjustment on lines 9 and 10:
The minimum aid adjustment is the sum of (a) the



BUT THAT'S NOT ALL!

What do districts actually spend?

A look at FY21: spending over required minimum from what was budgeted

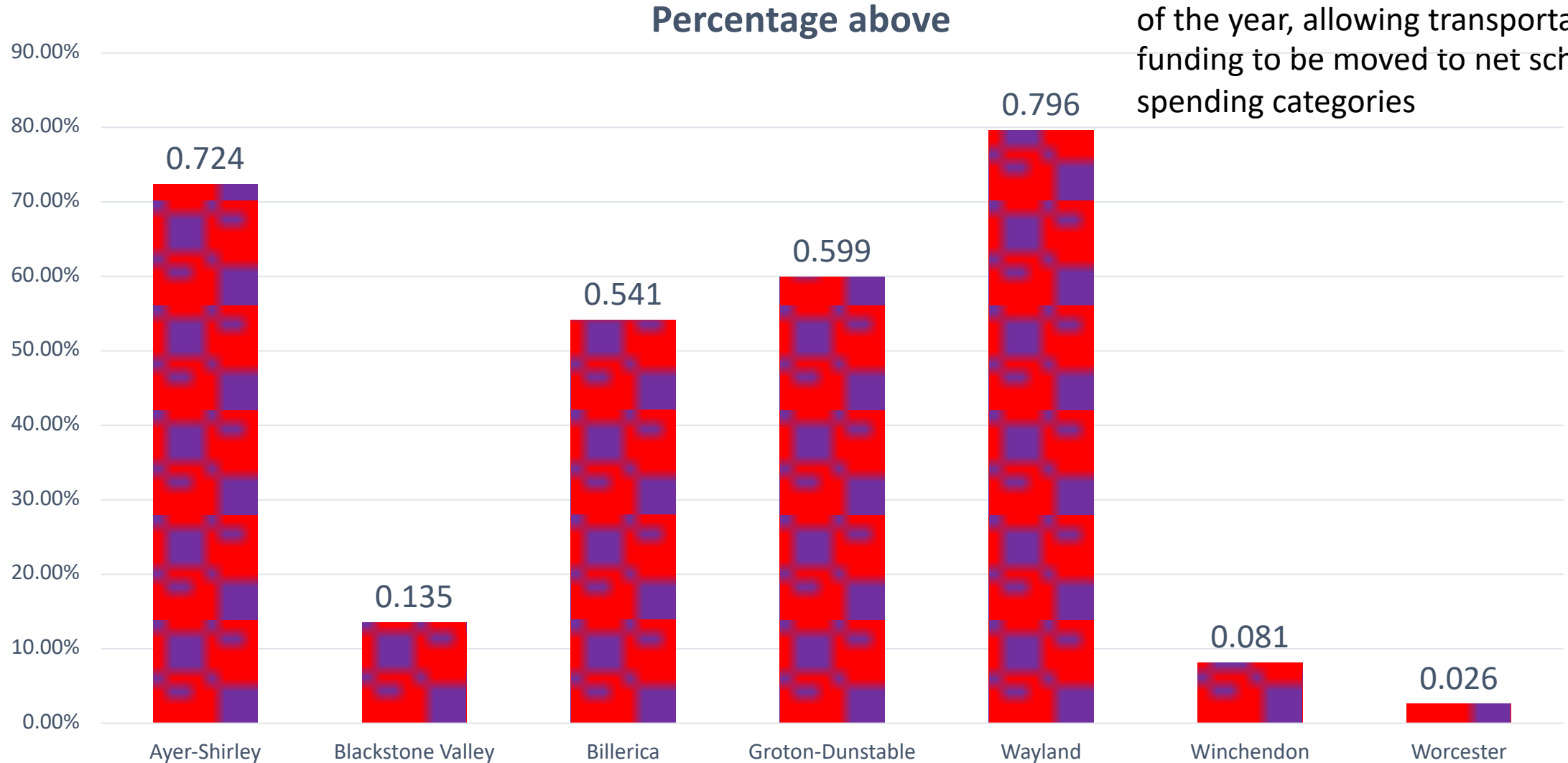
District	Foundation budget	Actual net school spending	Percentage over required
Ayer-Shirley	\$16,921,239	\$29,165,721	72.4%
Blackstone Valley Tech	\$20,447,639	\$22,622,354	13.5%
Billerica	\$52,647,472	\$81,108,444	54.1%
Groton-Dunstable	\$24,034,914	\$38,443,512	59.9%
Wayland	\$28,213,341	\$50,671,302	79.6%
Winchendon	\$15,745,626	\$17,018,499	8.1%
Worcester	\$382,606,984	\$392,653,611	2.6%

Important note: this is all general fund spending

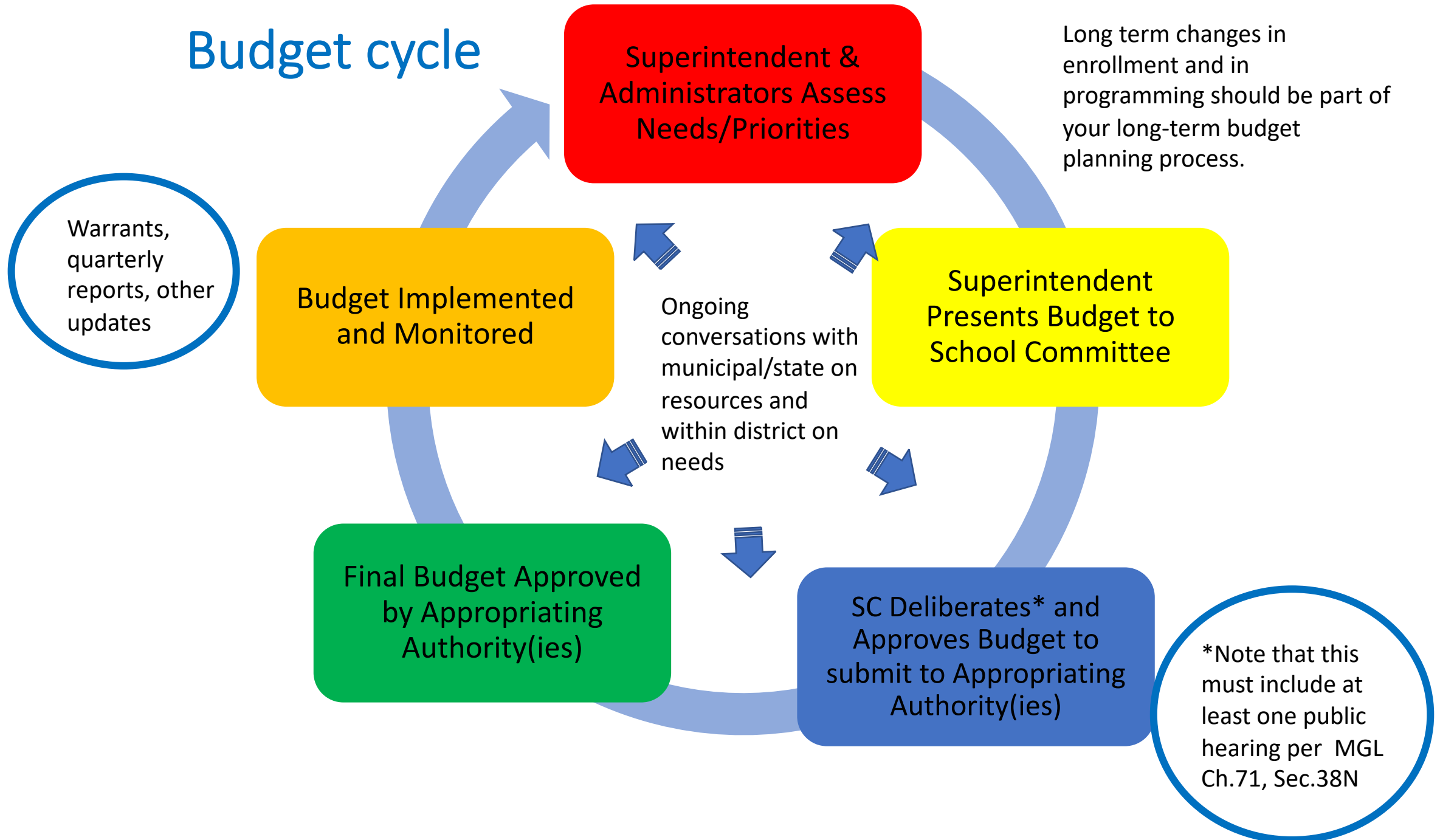
What do districts actually spend?

A look at FY21: spending over required minimum

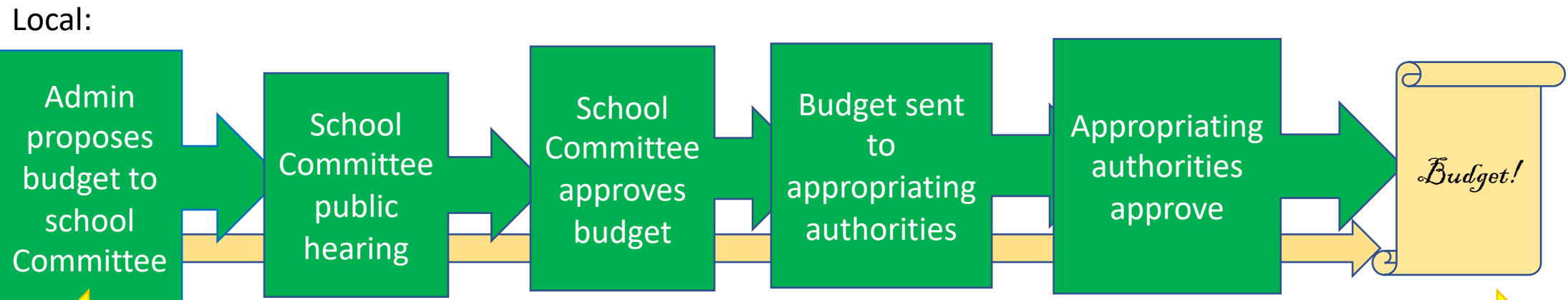
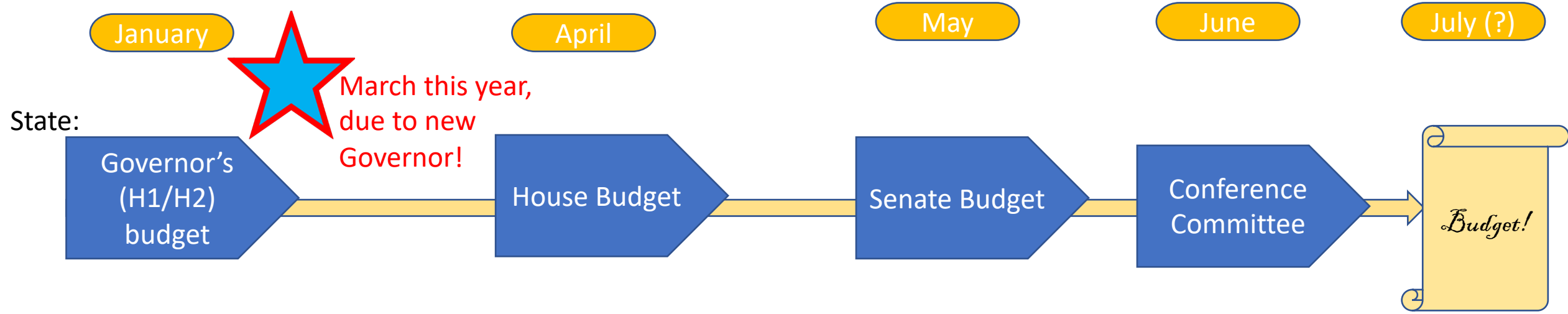
Notes: General fund spending
In FY21, a number of districts remained remote for part or most of the year, allowing transportation funding to be moved to net school spending categories



Budget cycle



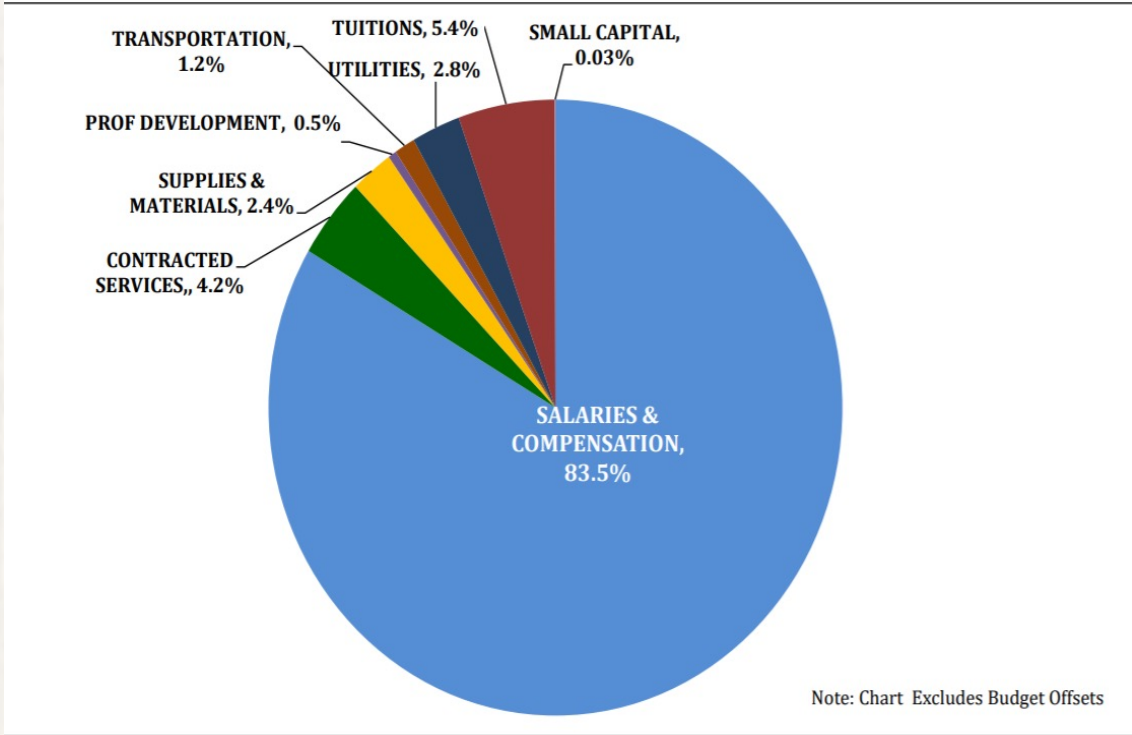
Budget timeline



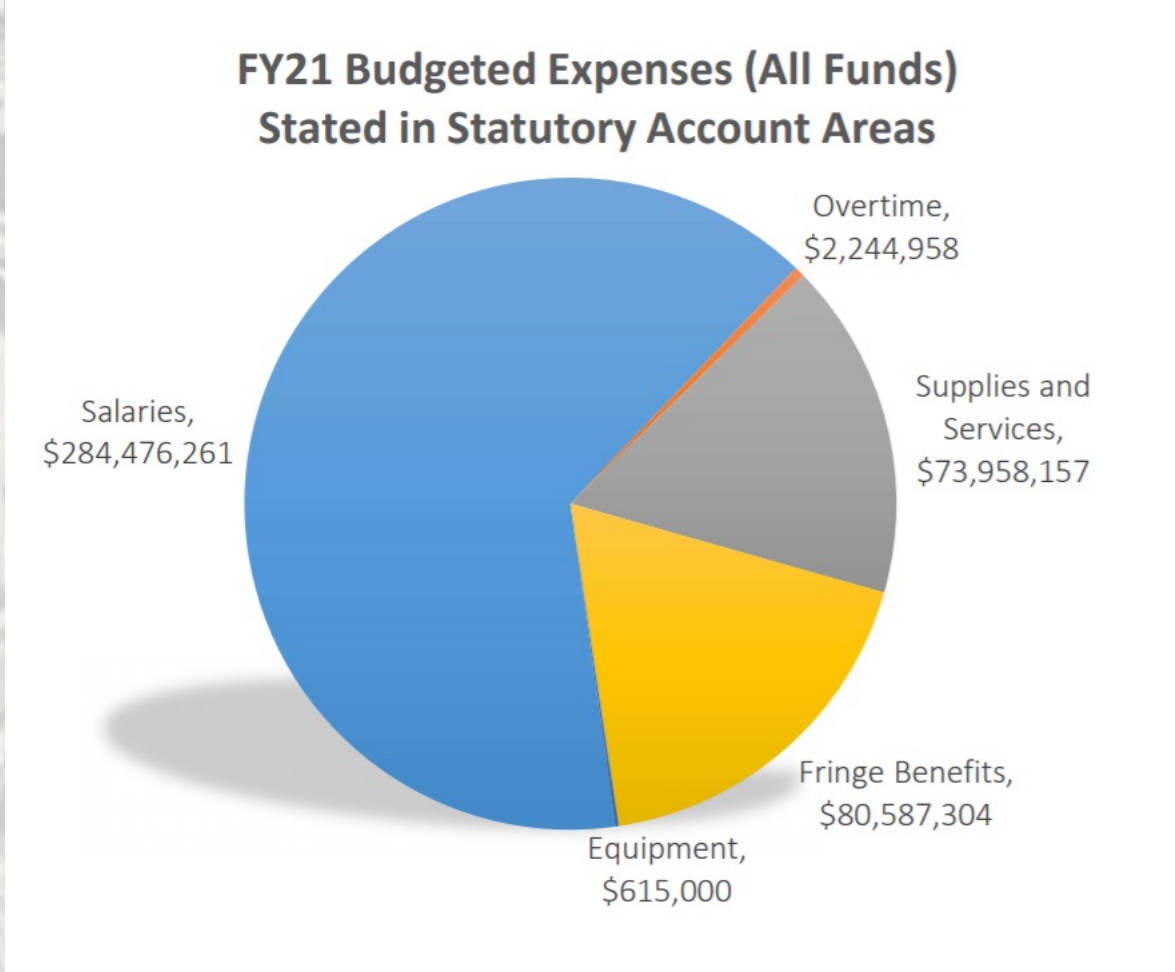
DIFFERS BY TOWN— Earlier for towns! Later for cities!

New fiscal year: July 1!

Where does the money go?



North Reading Public Schools
FY21 budget
\$32,526,778



Worcester Public Schools
FY21 budget
\$441,881,680

Who ultimately decides?

“The school committee in each city and town and each regional school district shall have the power to select and to terminate the superintendent, shall review and approve budgets for public education in the district, and shall establish educational goals and policies for the schools in the district consistent with the requirements of law and statewide goals and standards established by the board of education.”

MGL ch. 71, sec.37

Tracy O'Connell Novick

Worcester School Committee

Field Director: School Finance

Massachusetts Association of School Committees

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