

**REVIEW OF THE GOVERNOR’S PROPOSED BUDGET
REGARDING FY20 REVENUE PROJECTIONS
SCHOOL COMMITTEE MEETING, JANUARY 31, 2019**

1. CHAPTER 70 FUNDING

- a. The Governor’s proposed budget is based on *An Act to Promote Equity and Excellence in Education*, a bill filed by the Baker-Polito Administration. It implements the major recommendations of the Foundation Budget Review Commission. The proposed legislation includes many targets for changes in various elements in the foundation budget calculation. Many, if not all of these changes, are to be phased in over a number of years. The goal is to have all targets phased in completely by FY2026. Some of the areas addressed in the bill are in- and out-of-district special education, benefits, English language learners, economically disadvantaged students, high quality early college and innovation pathways programs, guidance and psychological services.

- b. Minimum aid guarantees that all districts receive at least some aid increase in any given year. Of the 318 school districts receiving an increase in per pupil Chapter 70 funding, Southern Berkshire, along with 182 other school districts will be receiving minimum aid, which is a \$20 per student increase in Chapter 70 funds. Our total increase of \$13,360 is a .68% increase over last year’s Chapter 70 funding.

Over \$1,000 increase per student	1	9.05% increase
\$500 to \$999 increase per student	28	9.48% increase on average
\$100 to \$499 increase per student	68	7% increase on average
\$21 - \$99 increase per student	38	Average 2.9% on increase
\$20 increase per student	<u>183</u>	Average .57% on increase
	318	

- c. The Rural School aid program, as it was distributed in FY19, is being replaced by a different grant program that will support studies and transition costs for regionalization and other initiatives to enhance public education opportunities in rural districts.

2. REGIONAL TRANSPORTATION REIMBURSEMENT

The amount of regional transportation costs that are reimbursed each year is based on the prior year’s actual expenditures. We are reimbursed for a portion of our regular transportation costs for children who live at least 1.5 miles away from the school. However, we are not reimbursed for special transportation for students whose individual education plans require transportation, or for school choice transportation.

SBRSD is currently in its second year of our new contract with Massini Bus Company. Because our costs rose significantly at the beginning of the contract, our transportation reimbursement is expected to increase significantly as well. The FY20 Cherry Sheet indicates that we will be receiving \$686,823 in regional school transportation funding. This is a \$131,481 increase over what was projected on our FY19 Cherry Sheet. We do not yet know the final figure for reimbursement to be received in this fiscal year (FY19).

3. SCHOOL CHOICE

As of December 2018, SBRSD has 107 students tuitioning in via the School Choice program from ten school districts, and a total of 116 students tuitioning out to seven districts.

	TUITION IN TO SBRSD	TUITION OUT FROM SBRSD	NET GAIN/ (LOSS)
BERKSHIRE HILLS RSD	69	107	(38)
FARMINGTON RIVER RSD	26	1	25
ACADEMY AT GREENFIELD	0	1	(1)
CENTRAL BERKSHIRE RSD	1	0	1
COMMONWEALTH VIRTUAL	0	2	(2)
GRANVILLE RSD	3		3
LEE	5	4	1
LENOX	0	1	(1)
NORTH ADAMS	1		1
PITTSFIELD	2		2
	107	116	(9)

We are projected to receive a total of \$640,149 in Chapter 70 revenue for students tuitioning in to SBRSD. The state is projected to be sending \$656,924 to other districts for students who live in our five member towns who are tuitioning out to other districts.

	TUITION IN TO SBRSD	TUITION OUT FROM SBRSD	NET GAIN/ (LOSS)
BERKSHIRE HILLS RSD	\$ 415,471	\$ 601,403	\$ (185,932)
FARMINGTON RIVER RSD	\$ 147,919	\$ 5,000	\$ 142,919
OTHER TOWNS/DISTRICTS (8)	\$ 76,759	\$ 50,521	\$ 26,238
	\$ 640,149	\$ 656,924	\$ (16,775)

4. EXCESS AND DEFICIENCY FUND

A regional school districts Excess and Deficiency Fund (E&D) is comparable to a municipality's Free Cash. E&D funds are funds that result from revenues coming in higher and/or expenditures coming in lower than budgeted. The Department of Revenue certifies the amount of E&D funds each year as of July 1st. These funds, once certified, are available as a revenue source in the following year's budget. A regional school district may use all or part of the certified balance. However, if the certified balance exceeds 5% of the following year's proposed budget, the school committee must use the amount in excess of 5% as a revenue source, to reduce the assessments to member towns.

SBRSD's Excess and Deficiency has been certified at \$819,257, which is less than the \$834,501 we would be allowed to keep. This year's E&D figure is \$50,544 higher than the amount certified as of July 1, 2017. A historical look at our E&D certifications follows.

ANALYSIS OF CERTIFIED EXCESS AND DEFICIENCY (E&D) FUNDS

	5% of NEXT YEAR'S BUDGET*	AT OR BELOW 5% OF NEXT YEAR'S BUDGET	ABOVE 5% OF NEXT YEAR'S BUDGET	TOTAL CERTIFIED E&D
7/10/1905	\$ 834,501	\$ 819,257	\$ -	\$ 819,257
6/30/2017	\$ 818,336	\$ 768,713	\$ -	\$ 768,713
6/30/2016	\$ 793,184	\$ 793,184	\$ 46,771	\$ 839,955
6/30/2015	\$ 771,189	\$ 540,120	\$ -	\$ 540,120
6/30/2014	\$ 746,292	\$ 569,592	\$ -	\$ 569,592
6/30/2013	\$ 731,728	\$ 440,132	\$ -	\$ 440,132
6/30/2012	\$ 772,199	\$ 722,199	\$ 23,714	\$ 745,913
6/30/2011	\$ 694,370	\$ 694,370	\$ 144,371	\$ 838,741
6/30/2010	\$ 746,925	\$ 501,960	\$ -	\$ 501,960

5. ASSESSMENTS

Actual assessment figures will not be known until the FY20 budget has been presented to and approved by the School Committee and the five member towns. However, our currently regional agreement stipulates that the assessment for each town be based solely on each town's proportionate share of the required contribution established by the state. The proportionate shares are illustrated below.

PERCENTAGE SHARE	ORIGINAL FY19	FY20	CHANGE
Alford	3.21%	3.44%	0.23%
Egremont	11.82%	12.85%	1.03%
Monterey	11.79%	12.11%	0.32%
New Marlborough	20.93%	19.67%	-1.26%
Sheffield	52.26%	51.94%	-0.32%
	100.00%	100.00%	0.00%

Projections on other revenue sources, such as tuition revenue from towns not eligible for school choice enrollment and Medicaid reimbursements, will be presented as we move forward in the budget process.