

# North Reading Public Schools

## FY 22 SCHOOL BUDGET CHAPTER 70 PROGRAM

January 29, 2021

MICHAEL CONNELLY , ASSISTANT SUPERINTENDENT OF FINANCE AND OPERATIONS





# TOPICS

- FY 22 Budget Calendar
- FY 22 State Budget Update (Student Opportunities Act)
- Chapter 70 Program – North Reading
- Access to Key Budget Information



# FY 22 BUDGET CALENDAR

Date	Budget Event
Thursday, March 4, 2021	Present preliminary budget to School Committee
Friday, March 26, 2021	FY 22 School Budget Webinar (12:00 p.m.)
Wednesday, March 31, 2021	FY 22 Budget Workshop # 1
Monday, April 12, 2021	Public Hearing on FY 22 budget (6:30 p.m. DLL)
Monday, April 28, 2021	FY 22 Budget Workshop # 2 (If necessary)
Monday, May 3, 2021	School Committee votes recommended budget
Wednesday, May 5, 2021	Present recommended budget to Finance Committee
Monday, May 10, 2021	Select board vote town meeting warrant
Monday, June 14, 2021	Town Meeting votes budget



# STATE BUDGET OUTLOOK

- State Budget was released Wednesday, January 27<sup>th</sup>
- Increases Chapter 70 aid by 197.7 million;
- Increases government local aid by 39.5 million;
- Increase in charter school reimbursement program by 26.1;
- Special Ed. Circuit breaker increase by 10.5 million;
- Level funds most other cherry sheet accounts at FY 21 levels;
- Next Steps is for the budget to move on to House then to the Senate then to Conference Committee and is not officially approved until Mid to late June.

For more information on the FY 22 State budget click here:

<https://budget.digital.mass.gov/govbudget/fy22/>

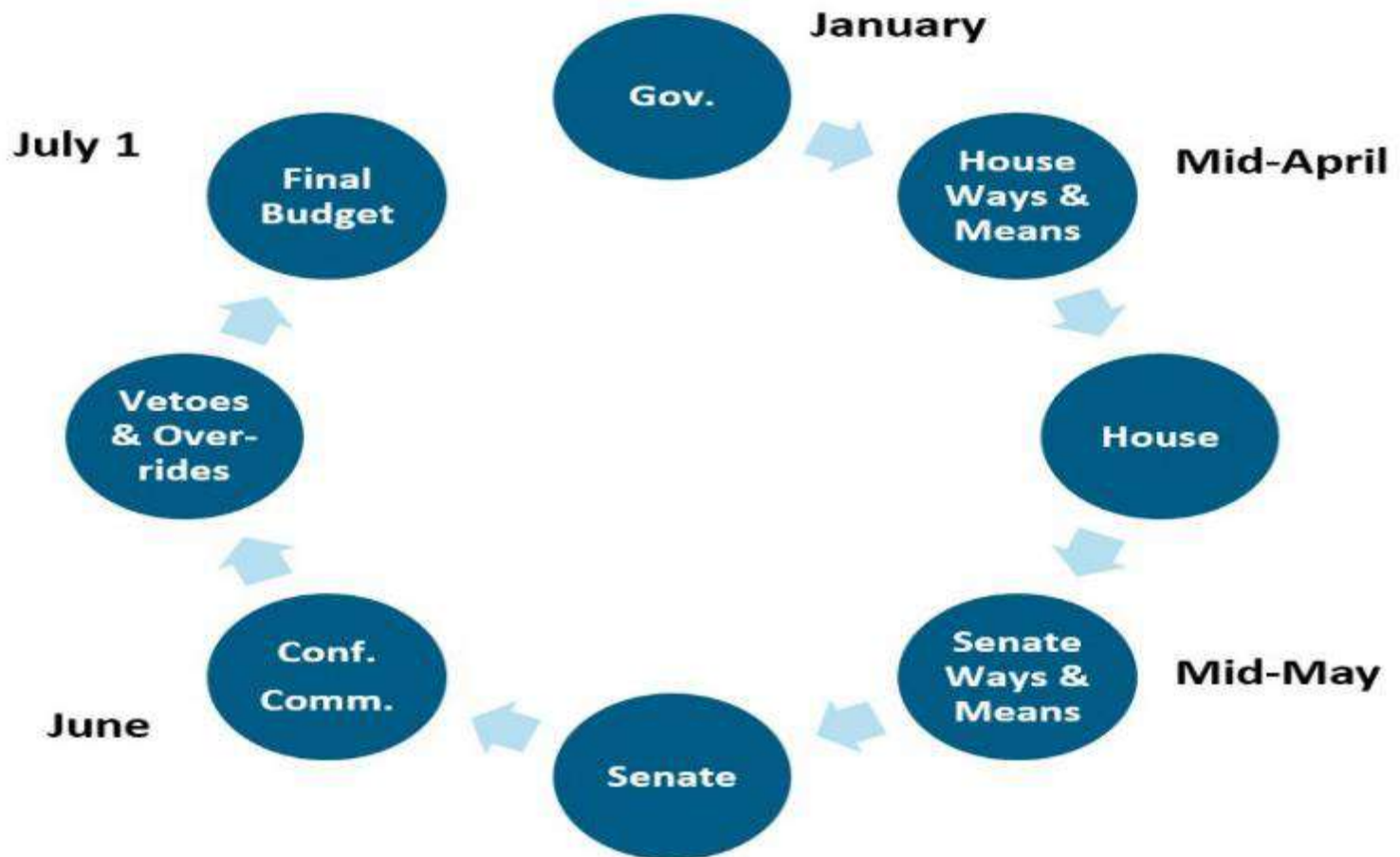


# STUDENT OPPORTUNITIES ACT

- The act establishes new, higher foundation budget rates in 5 areas:
  - Benefits and fixed charges
  - Guidance and psychological services
  - Special education out-of-district tuition
  - English learners
  - Low income students
- House 1 includes rate changes above inflation toward the goal rates in these 5 areas;
- Phased in over a 7 year period;
- Districts must submit rolling 3 year plans on how additional funds will be spent.

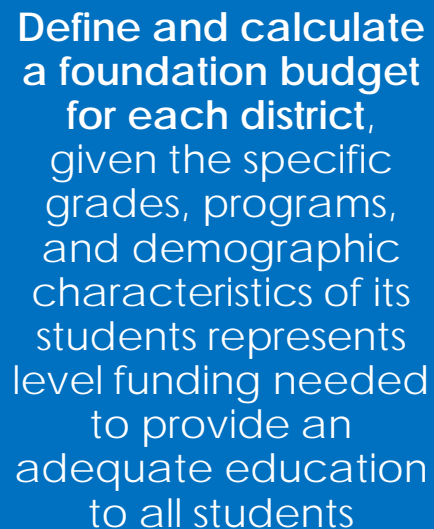
# STATE BUDGET PROCESS

## The state budget process

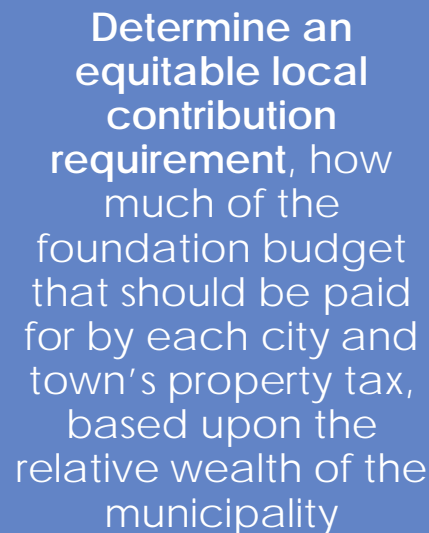


# THERE ARE THREE PRIMARY STEPS IN DETERMINING EACH DISTRICT'S CHAPTER 70 AID

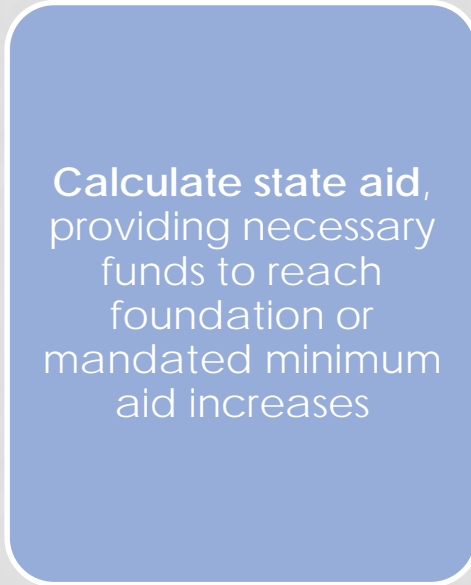
**Define and calculate a foundation budget for each district**, given the specific grades, programs, and demographic characteristics of its students represents level funding needed to provide an adequate education to all students



**Determine an equitable local contribution requirement**, how much of the foundation budget that should be paid for by each city and town's property tax, based upon the relative wealth of the municipality

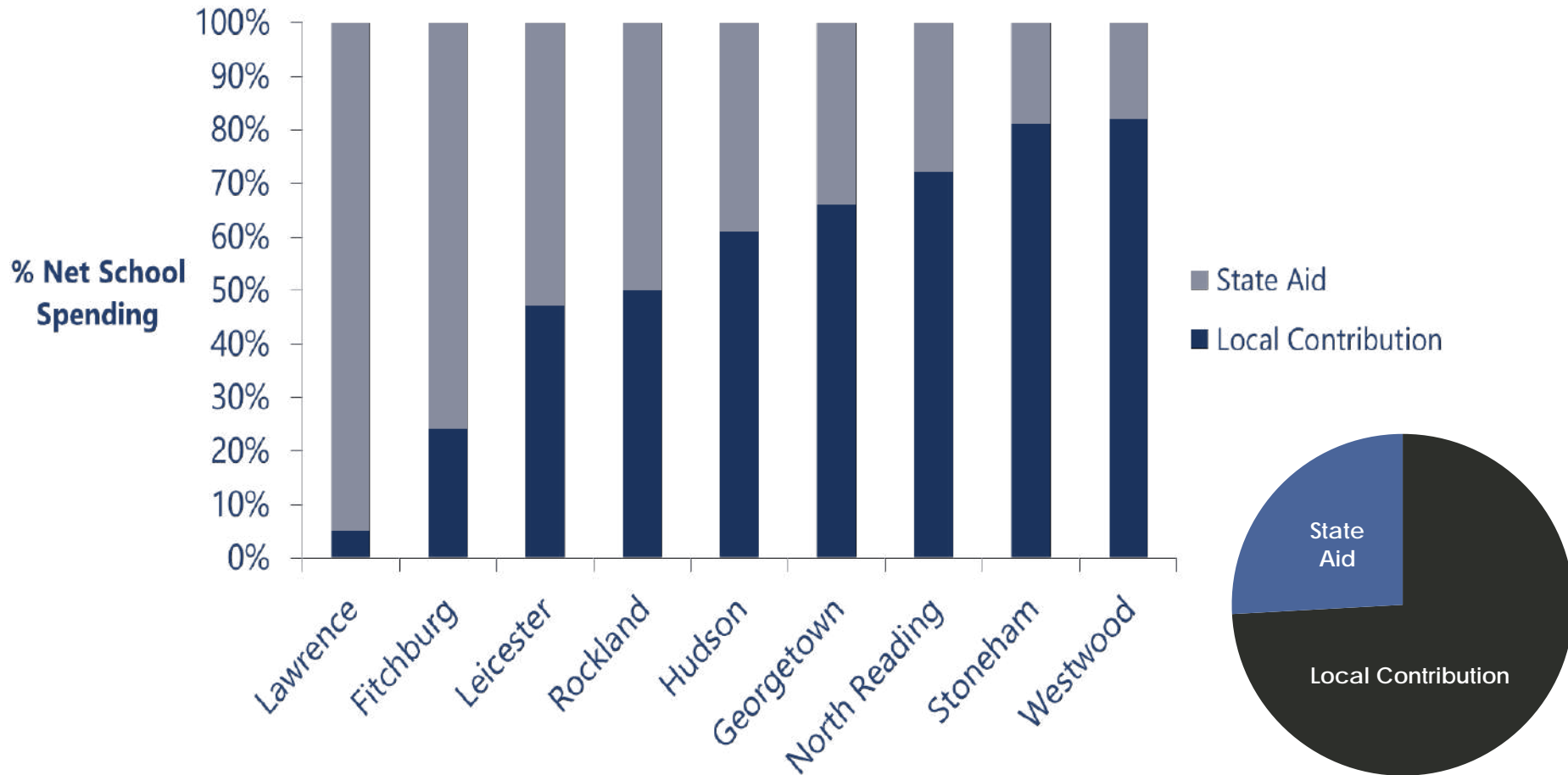


**Calculate state aid**, providing necessary funds to reach foundation or mandated minimum aid increases



Local Contribution + State Aid = a district's net school spending (NSS) requirement  
This is the minimum amount that a district must spend to comply with state law. Most Districts including North Reading spend more then the minimum by an average of 20%. North Reading in FY 21 spent approx. 30% more then the requirement.

## Districts receive different levels of Chapter 70 aid because their municipality's ability to pay differs

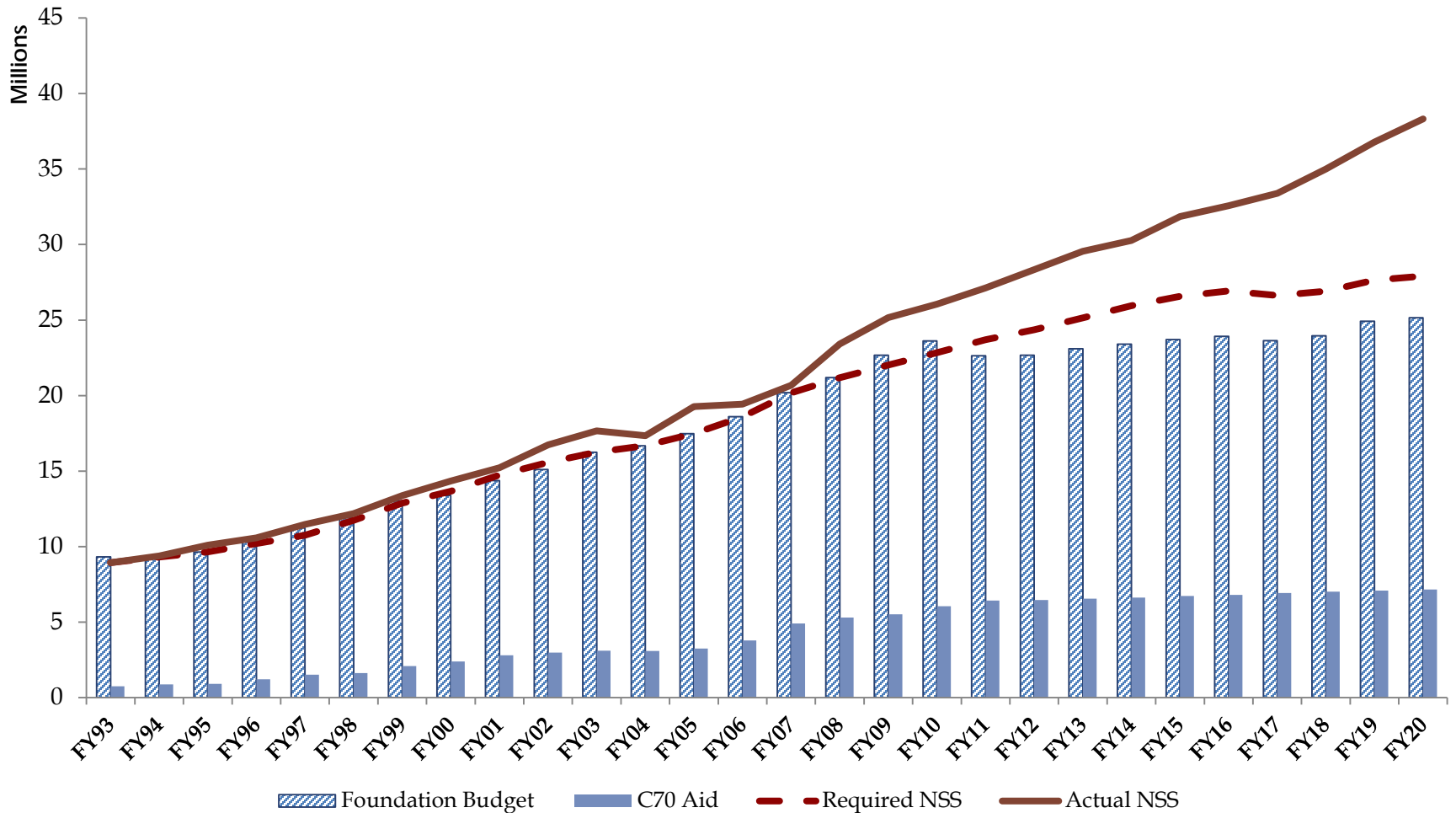


In the case of North Reading, the required local contribution is equal to about 72%, and the amount of state aid is equal to 28%. North Reading's target aid is actually a lot less at 17.5%, so North Reading is well above their target aid share. Stoneham and Westwood are also 17.5% minimum aid communities and they are right about at their target aid.





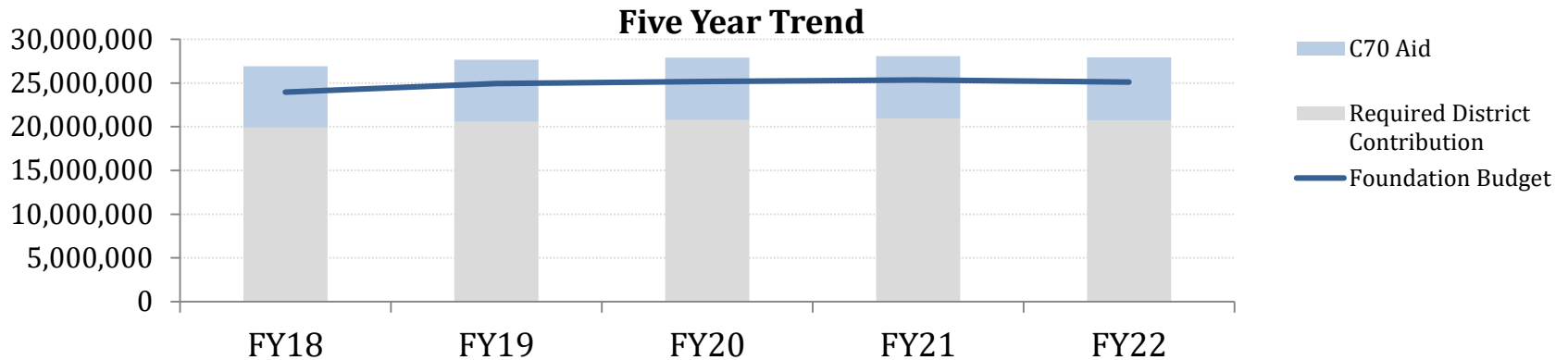
# CHAPTER 70 PROGRAM



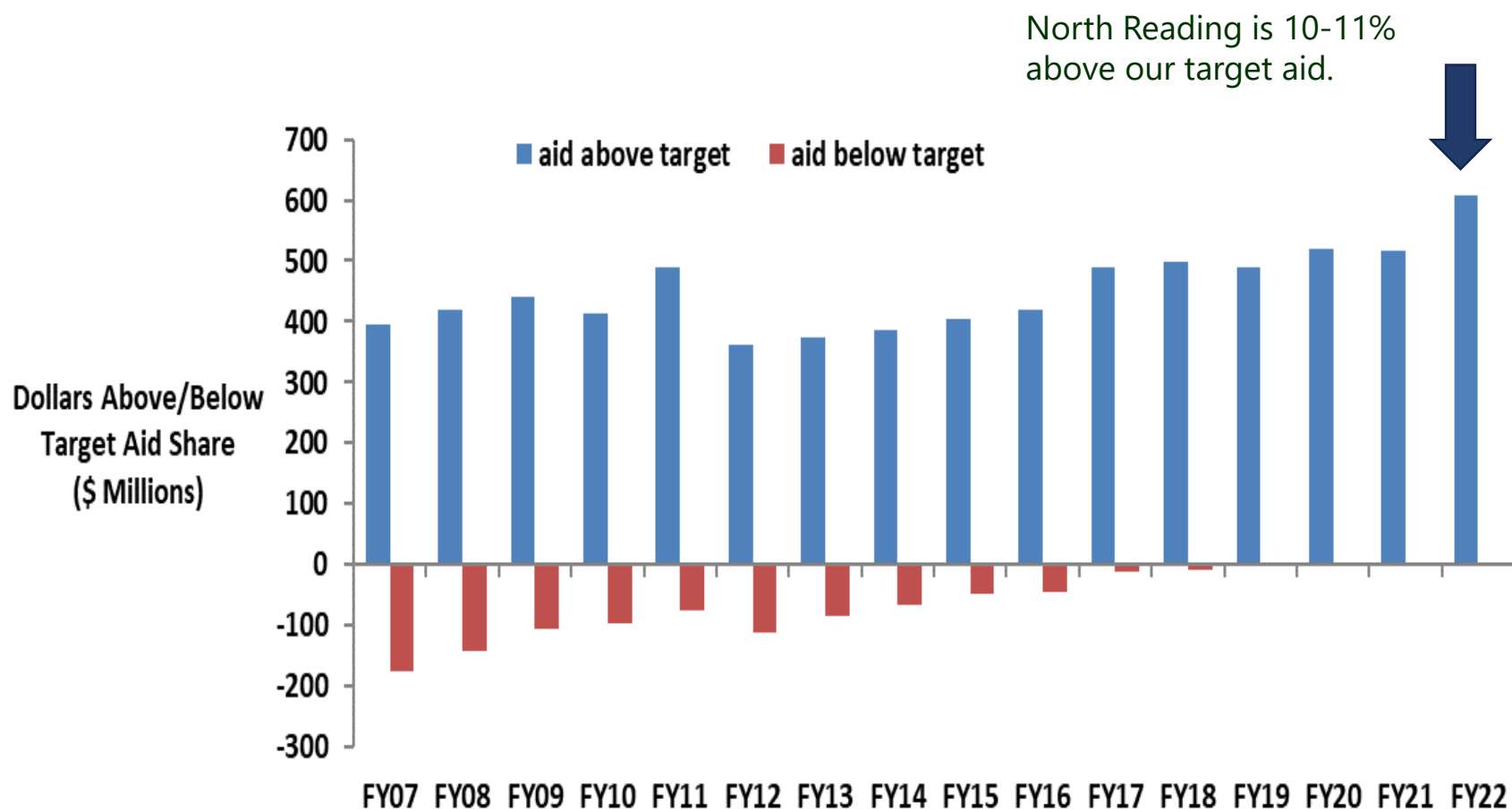


# CHAPTER 70 PROGRAM

	<b>FY21</b>	<b>FY22</b>	<b>Change</b>
Enrollment	2,320	2,243	-77
Foundation budget	25,345,400	25,088,126	-257,274
Required district contribution	20,909,956	20,697,704	-212,252
Chapter 70 aid	<b>7,153,937</b>	<b>7,221,227</b>	67,290
Required net school spending (NSS)	28,063,893	27,918,931	-144,962
Target aid share	17.50%	17.50%	
C70 % of foundation	28.23%	28.78%	
Required NSS % of foundation	110.73%	111.28%	



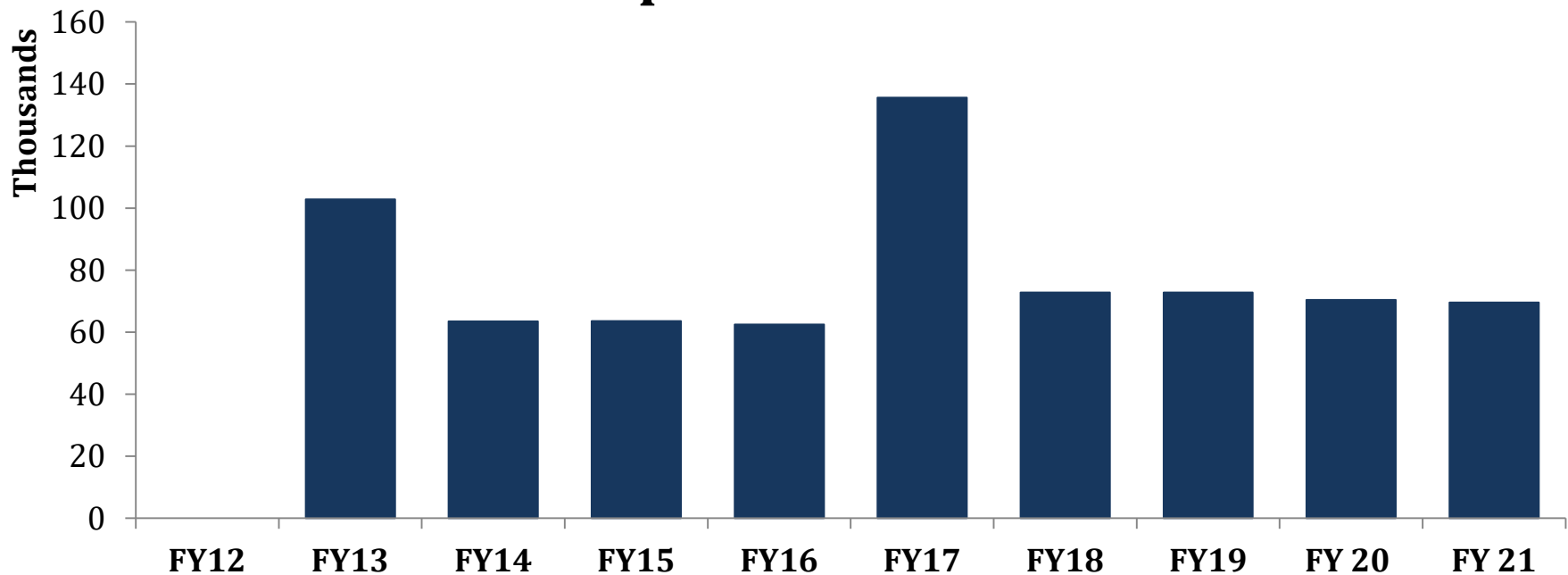
# There are no longer any districts funded below target, while above target aid has increased





# CHAPTER 70 PROGRAM

## Chapter 70 Aid Increases



Foundation Aid Increase

Down Payment Aid

Growth Aid

Target Aid Phase-In

Minimum Aid

Non-Op Reduction in Aid

Chapter 70 Aid Reduction

Low Income Hold Harmless

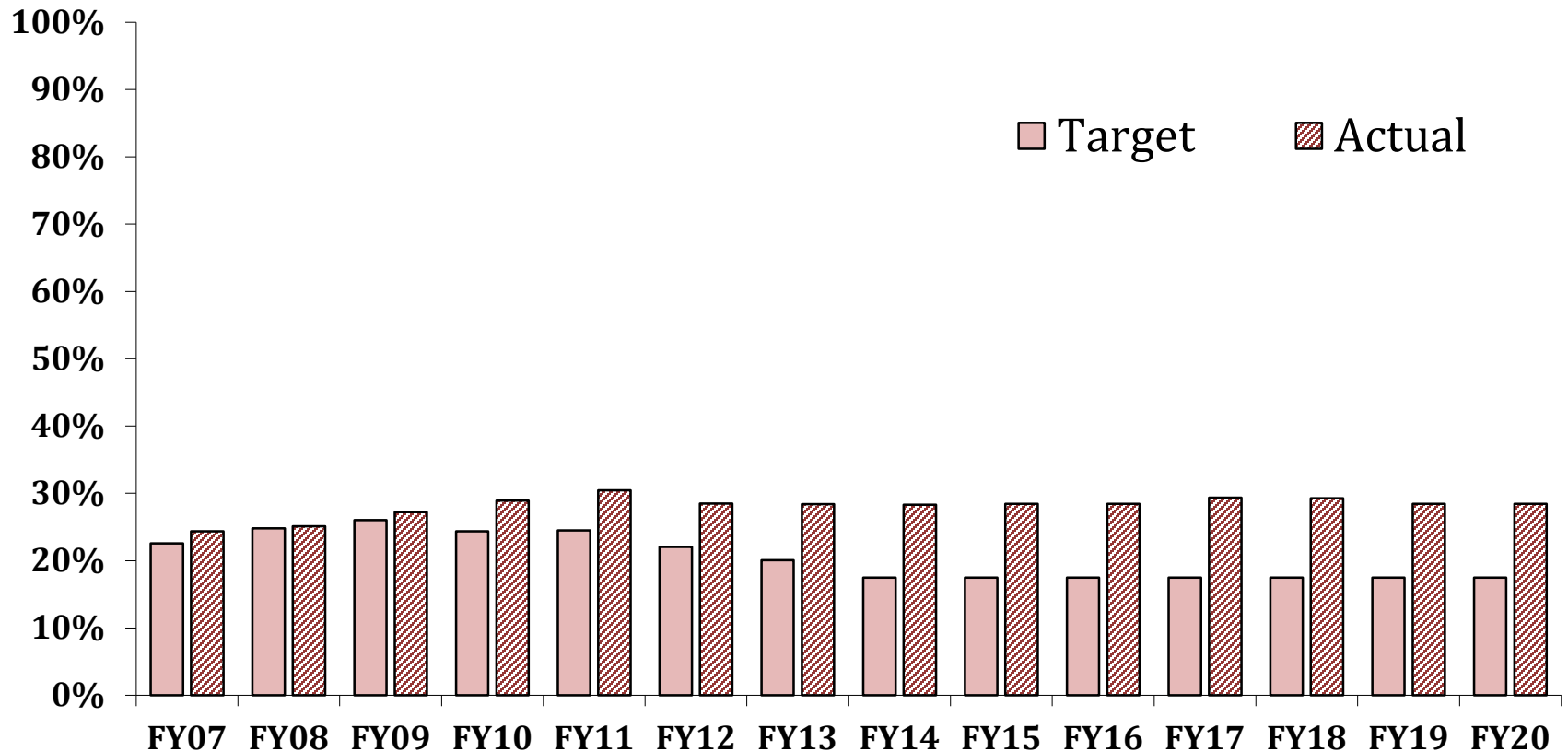
SFSF Grant

Education Jobs Grant



# CHAPTER 70 PROGRAM

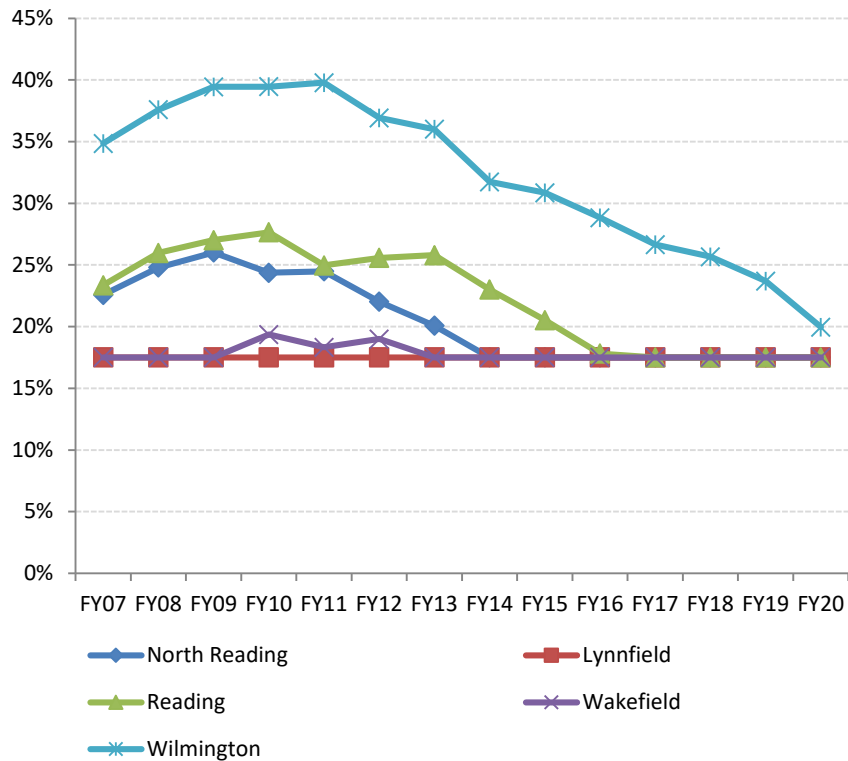
**Target and Actual Aid Percentages**



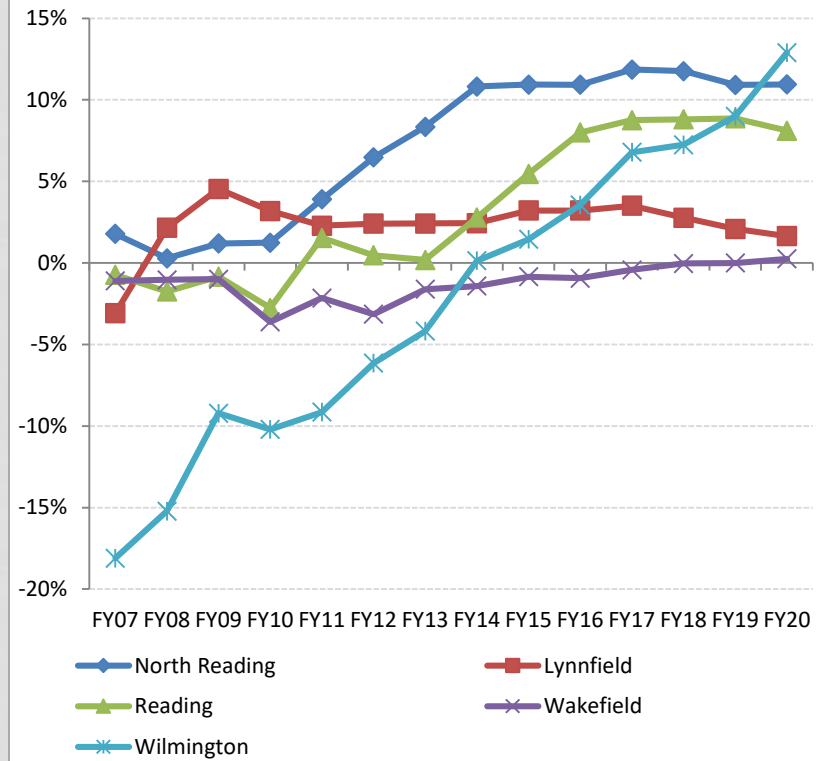


# CHAPTER 70 PROGRAM

Target Aid Share



Distance from Target Aid Share





# KEY LINKS FOR BUDGET INFORMATION

District website Budget Link: <http://www.north-reading.k12.ma.us/budget>

District Five Year Capital Plan: [https://www.north-reading.k12.ma.us/sites/g/files/vyhlf1001/f/pages/fy\\_22\\_prelim\\_north\\_reading\\_five\\_year\\_capital\\_plan\\_ver2\\_nov\\_5.pdf](https://www.north-reading.k12.ma.us/sites/g/files/vyhlf1001/f/pages/fy_22_prelim_north_reading_five_year_capital_plan_ver2_nov_5.pdf)

Follow me on Twitter: <https://twitter.com/nrpsfinance>