

Communities Supporting Resolution Calling for Full Funding of the Foundation Budget Review Commission's Recommendations

March 1, 2016 Suburban Coalition

Chapter 70 Resolution

The message is getting out. In just three weeks since we launched a Resolution Calling for Full Funding of the Foundation Budget Review Commission's Recommendations, seven School Committees have passed the resolution. Many other boards and committees, including Boards of Selectmen and Finance Committees, have it on their agendas for consideration. To date, we have been notified by the following

Board of Selectmen

- Arlington
- Douglas
- Groton
- Harvard
- Lunenburg
- Northbridge
- North Reading
- Oxford
- Warren
- Webster
- West Brookfield

Finance Committee

- Ashland
- Lunenburg
- Northbridge
- North Reading
- Oxford
- Walpole
- Webster
- West Brookfield

School Committee

- Amesbury

From www.suburbancoalition.org
3/17/16, 8:30AM

- Arlington
- Attleboro
- Ayer Shirley
- Belchertown
- Blackstone-Millville
- Chelmsford
- Douglas
- Dracut
- Dudley-Charlton
- Fall River
- Framingham
- Georgetown
- Groton-Dunstable
- Harvard
- Hingham (this was a slightly amended version)
- Holliston
- Leicester
- Lincoln-Sudbury
- Marshfield
- Melrose
- Mendon-Upton
- Millbury
- Mohawk Trail Regional School District
- Needham
- New Bedford
- Northbridge
- Northampton
- North Reading
- Norwood
- Oxford
- Peabody
- Quaboag Regional
- Revere
- Rockport

From www.suburbancoalition.org
3/17/16, 8:30AM

- **Salem**
- **Sandwich**
- **Silver Lake Regional**
- **Southeastern Regional Voke Tech**
- **Sutton**
- **Walpole**
- **Waltham**
- **Webster**
- **West Springfield**
- **Wilmington**
- **Winchester**

that they have passed the resolution. If your board or committee's name should be added to this list, please let us know.

Why is this so important? The Governor's budget for FY17 increases Chapter 70 by only 1.6%. It does nothing to recognize the findings of the FBRC regarding the systemic underfunding of the Foundation Budget in the areas of Special Education and employee health insurance. The estimated amount of this underfunding is approximately \$2 billion.

While the Governor's budget seems to honor the commitment to share revenue growth with municipalities by increasing Unrestricted General Government Aid (UGGA) by 4.6%, it ignores the fact that for most communities, the largest portion of local aid comes from Chapter 70. The issue of underfunding affects every aspect of municipal operations. When Chapter 70 aid is inadequate, municipalities must depend on the local property tax to make up the difference. A strong system of public education helps drive and sustain a strong state economy. It does the same for our communities. Let your legislators know that we are looking to them to implement the recommendations of the FBRC beginning with the FY17 budget by passing the Resolution Calling for the Full Funding of the Foundation Budget Review Commission's Recommendations. Here is a link to the resolution:

[Chapter 70 Funding Resolution](#)

The Suburban Coalition is a statewide organization of local officials that advocates for the resources, funding and support at the state level to sustain thriving communities throughout the Commonwealth. We work to ensure that every municipality has the resources to provide high-quality essential services of life safety, education and infrastructure maintenance to its citizens. We provide input to the state about local services, state funding and state regulations. By

From www.suburbancoalition.org
3/17/16, 8:30AM

speaking with one voice, we can address mutual problems more effectively at the state level. The Suburban Coalition is the only statewide organization that brings together Selectmen, School Committees and Finance Committees and other local officials to jointly advocate for our communities. For more information, visit suburbancoalition.org.

Questions? Contact Dorothy Presser at dorothypresser@suburbancoalition.org.

Sincerely,

Dorothy Presser

President



Suburban Coalition
PO Box 103
Concord MA 01742
Phone 781-326-2473
www.suburbancoalition.org

Resolution Calling for Full Funding of the Foundation Budget Review Commission's Recommendations

Whereas the Massachusetts Foundation Budget Review Commission identified two areas (employee health insurance and special education) where the Massachusetts Foundation Budget significantly understates the true cost of educating students in the Commonwealth and has failed to keep pace with rising costs;

Whereas this underfunding means the cost of providing a quality education has increasingly been borne by local communities, most often at the expense of other vital municipal operations;

Whereas investing in education today leads to higher incomes, and thus less investment in police, prisons, subsidized health care, low income housing, welfare, etc. in the future;

Whereas state and local economies are most effectively strengthened "by investing in education and increasing the number of well-educated workers."

Therefore Be It Resolved that the [insert name of local governing board here] calls on the Massachusetts Legislature and the Governor of Massachusetts to fully fund and adopt the recommendations of the Foundation Budget Review Commission in the immediate future.

Committee Name

Signature– Committee Chair

Printed name – Committee Chair

Date



Suburban Coalition
PO Box 103
Concord MA 01742
Phone 781-326-2473
www.suburbancoalition.org



Suburban Coalition
PO Box 103
Concord MA 01742
Phone 781-326-2473
www.suburbancoalition.org

Rationale: The Foundation Budget Review Commission (FRBC) was established by the Legislature in the FY16 budget and was charged with examining the Foundation Budget (Chapter 70) formula. The formula was first established as part of the Education Reform legislation in 1993 and has not been thoroughly reviewed or updated since that time. The FBRC found that the current formula understates costs significantly in two areas: Employee Health Insurance and Special Education.

If the recommendations of the FBRC had been implemented in the FY16 budget, state funding for education would have been about \$500 million more than it was. However, if Chapter 70 reflected the true cost of education, the number would be closer to \$2 billion.

Spending by school districts over the required Net School Spending amounts has increased, as a whole, for more than a decade, indicating that communities are using local property taxes and diverting funding from other portions of municipal budgets to fund their schools. In FY14, the total spending above Foundation in the state was \$1.7 billion. At the same time, the state's commitment to municipal aid has declined. Since 2001, unrestricted local aid has been cut by 43%. The net effect is a combination of cuts to local and school services and an increasing reliance on the regressive property tax.

The evidence overwhelmingly establishes the correlation between a well-educated workforce and higher income individuals. States that invest more in education have a higher paid workforce; also, states that increase the level of education of their population see greater productivity and higher wages over time. The link can then easily be made between higher paid individuals and less reliance on various forms of government assistance, as well as lower rates of crime.

A state's high school and college attainment rates are important factors in the state's overall economic strength. Additionally, investments in education can have significant long-term impacts on state and local economies, as well-educated individuals tend to stay relatively local and contribute tax dollars to the state and municipality in which they reside. In general, the taxes paid over time by these individuals are substantially higher than the cost of their public education.