

# **Chapter 70**

# **FY08 and Beyond**

**Newburyport**  
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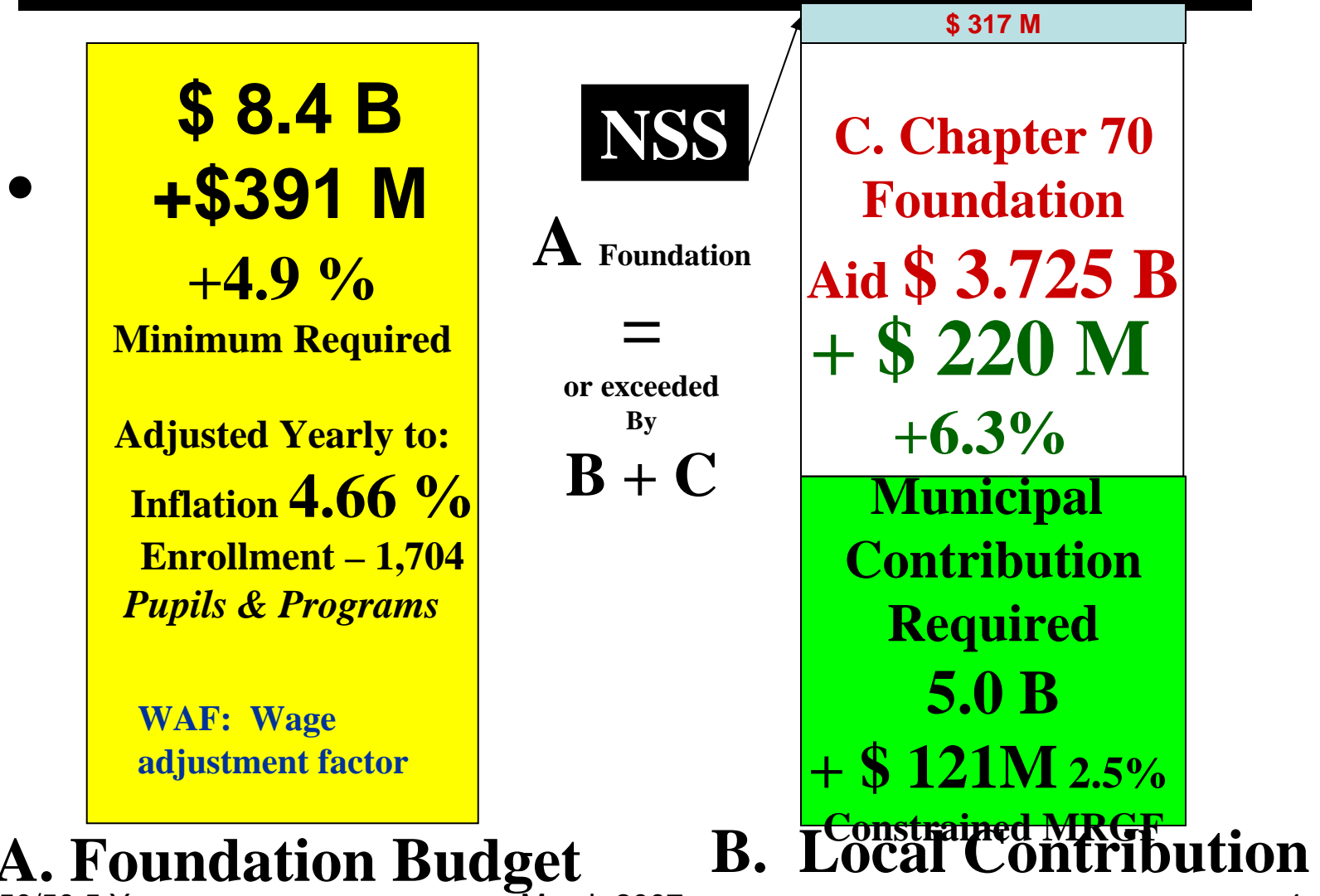
# Principles of the C 70 Plan

- **Adequacy** to bring students to higher standards of accomplishment, with increased spending in low spending school districts
- **Equity** in revenue expectations and fiscal capacity to meet local requirements
- **Predictability** for good planning toward the mission of schools

# The **A = B, C's** of School Finance Reform

- A. Foundation Budget created to determine the cost of providing a “fair and adequate minimum” per student funding     *Adequate ?***
- B. Local Contribution required standard of minimum local support**
- C. State Chap 70 Aid to make up the difference to meet required spending**

# FY08 State Chap 70 Final



# FY08 Newburyport

**\$ 18.1 M**  
**+ \$ 769 K**  
**Required**  
**To Educate Students**  
**+4.4%**  
**Adjusted Yearly to:**  
**Inflation 4.66 %**  
**Enrollment + 4**  
*Pupils & Programs*

**NSS**

**A** Foundation

=

or exceeded

By

**B + C**

P 2

**\$ 3 M**  
**C. Chapter 70**  
**Foundation**  
**Aid \**  
**\$ 3.3 M**  
**+ \$ 135 k**  
**+ 4.4%**  
**Municipal**  
**Contribution**  
**Required**  
**\$ 18.2 M**  
**- \$ 172 K**

**A. Foundation Budget**

**B. Local Contribution**

# Newburyport **Target B** P. 4

- **B FY08 @ 100% of Foundation Budget **A****
- **State Target **B** Contribution 82.5% of Foundation**
- **B Over target by \$ 4.4 M to be reduced**
- **FY08 Reduce 25% of Overage = - \$ 1.1 M**
- **Plus Foundation Revenue Growth of \$ 965 K**
- **Net Reduction from FY07 - \$ 172 K**
- **Result increase in **C 70** Aid \$ 135 K**


# Newburyport At a Glance

- **Per capita income** \$ 34,187 +
- **EQV per capita** \$ 205 K +
- **Tax Rate FY07** \$ 10.09 -
- **Tax Levy as % of Revenue** 59.3 % -
- **Excess Levy Capacity** \$ 27 K
- **Free Cash** <sup>7/06</sup> \$ 563 K
- **Stabilization** <sup>FY06</sup> \$ 2.9 M
- **State Aid %** 14.1 %

# Newburyport At a Glance cont.

- **FY 07 Average Single Family Assessed Value \$ 488,111**
- **Average Single Family Tax Bill \$ 4,925**
- **State Average Single Family Tax Bill State  
FY06 \$ 3.962**

# Newburyport School Issues

- **FY 04 Loss of C 70 Aid - \$ 700 K – 20% P 6.**
- **SPED Cost Issue** 
- **Health Insurance alone \$ 3.4 M**
- **Tuition Out (Charter) \$ 1.7 M**
- **Instructional growth @ 2%**
- **Town Cost in '06 NSS @ 23.9%**
- **School Expend as % of Total Town**
- **Equity: Newburyport capacity for \$ 19.7 M for Foundation Budget**

# B. Defining Target Contribution

- **FY08 Increased by MRGF 5.17 %**
- **'08 Newburyport Fiscal Capacity**

- **Equally Measures Property & Income**  
**High/High 50% / 50%**

- **Contribution at 106 % of Foundation Budget**

- **Sets Target Effort 82.5%:**
  - **Property EQV .29%**
  - **Income 2003 1.58%**

Foundation in FY 08 \$ 18.138 M

Total EQV	Total Income
\$ 3.5 B	\$ 586 M
Rate to Meet 50% of Contribution	Rate to Meet 50% of Contribution
.29% or	1.58 % or
\$ 10.4 M	\$ 9.3 M
<b>Combined Effort Yield \$ 19.7 M</b>	
For Foundation Purposes	

## B. Local Contribution Allocation

- 62% Districts Above to be Lowered \$ 478 M
- 38% Districts Below to increase \$ 338 M
- Cap on required Contribution of 82.5 %
- Newburyport \$ 4 M above 82.5% of Foundation in FY08
- 25% of \$ 4 M Gap is \$ 1 M **reduction** in Required Contribution after revenue growth calculation (MRGF)
- **Allocated among each** of the school districts that the community belongs by Foundation Share
- State Aid makes up some loss in Local Contribution

# FY 08 & Beyond Chapter 70

- **FY-08 increase is \$ 220 M Newburyport \$135K**
- FY08 Chapter 70 Aid needs to increase \$300 M to phase in Adequacy of the Foundation Budget
- Minimum Aid Target: No school district to have less than **17.5%** of foundation budget phased in 25% in FY08
- **Newburyport FY09-11** > \$ 130 K to \$ 160 K per year with no change in foundation Budget

# **Actions to Support Newburyport Public Schools**

- **Continue to Support your schools -  
Competitive**
- **Address the Health Insurance issue**
- **Continue to Adjust School Choice to value  
added vacancies**
- **Thank the Legislature for minimum floor of  
17.5% in State Aid**
- **Recognized and advocate for improvements  
in the Foundation Budget**

# **MASS** Position on Chapter 70

- **MASS** joined with **MMA/MASC/MASBO**
- **MASS** meeting with Leadership
- *MASS Taskforce* crafting *School Accountability and Finance*
- **MASS** requests a **Local Action Plan** Contact:
  - **M.A.S.S.** Massachusetts Association of School Superintendents
    - 617-451-1151
    - <massupt.org>