

## Chapter 70 Resolution

The success of Massachusetts' economy is a result of dedicated commitment and strategic priorities. Beginning as the birthplace of public education in America and advancing to the 21<sup>st</sup> century, student achievement in Massachusetts is frequently cited, by various academic measurements, as the best in the nation. This enduring tenet is a key ingredient to the strength of our State's economy. Strong public schools provide the foundation for successful college students as well as a feeder system for bright, innovative future leaders in the workplace. If we do not take active steps to preserve our commitment to public education, other states will be glad to gain a marginal advantage. After acknowledging that the 1993 funding formula for Chapter 70 contains unrealistic and outdated factors, the Massachusetts Legislature commissioned a study group known as the Foundation Budget Review Commission in 2014. The task was to determine the cost of providing an adequate education in current times in Massachusetts. The results were released in two phases, one in June 2015 and the other this past November, and they confirmed what educators and local officials have long known to be true: the cost of educating the students of Massachusetts is severely underestimated by the existing funding formula.

**As we prepare local FY17 budgets, the Suburban Coalition urges each town's Board of Selectmen, School Committee and Finance Committee or Advisory Committee to adopt the attached resolution that simply asks the Legislature and the Governor to fund the recommendations of the Foundation Budget Review Commission.**

Especially during the recession, the cost of an adequate education has disproportionately fallen on local taxpayers and the resulting strains on local budgets are not sustainable within the limits of Proposition 2 ½. The Suburban Coalition has chosen this specific area of focus because Chapter 70 is generally the single largest contributor to the bottom line of cities or towns' Cherry Sheets. Additionally, too many cities and towns have struggled with "minimum aid increases" for five or more years, and the timeliness of the Foundation Budget Review Commission's reports makes this the ideal budget cycle. With the release of the Governor's budget proposal, it has become clear that we need to stand together if we hope to see progress with Local Aid.

We would like to track our progress, so please alert us at [DorothyPresser@suburbancoalition.org](mailto:DorothyPresser@suburbancoalition.org) after your boards have voted to send the attached resolution [Chapter 70 Funding Resolution](#) (click to open) to Beacon Hill.

Sincerely,  
Dorothy Presser  
President

Reference documents on our position:

Foundation Budget Review Commission Final Report <http://www.mass.gov/legis/journal/desktop/2015/fbrc.pdf>

"Cutting Class: Underfunding the Foundation Budget's Core Education Program", Massachusetts Budget and Policy Center [http://www.massbudget.org/reports/pdf/Cutting\\_Class.pdf](http://www.massbudget.org/reports/pdf/Cutting_Class.pdf)

"Our Communities and Our Commonwealth: Partners for Progress and Prosperity", Massachusetts Municipal Association [http://www.mma.org/images/stories/NewsArticlePDFs/mma\\_news/mma\\_partnership\\_principles.pdf](http://www.mma.org/images/stories/NewsArticlePDFs/mma_news/mma_partnership_principles.pdf)

"A Preview of the FY17 Budget", Massachusetts Budget and Policy

Center [http://massbudget.org/reports/pdf/FY17BudgetPreview\\_Final\\_1-21-2016.pdf](http://massbudget.org/reports/pdf/FY17BudgetPreview_Final_1-21-2016.pdf)

"Building a Strong Economy: The Role of Education, Transportation and Tax Policy", Massachusetts Budget & Policy Center <http://massbudget.org/reports/pdf/building%20a%20strong%20economy.pdf>

Massachusetts Municipal Association Testimony <http://www.mma.org/advocacy-mainmenu-100/letters-to-state-leaders/14517-mma-testimony-to-joint-committee-on-ways-and-means-urging-support-for-key-municipal-and-school-aid-programs>

## **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.

**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.